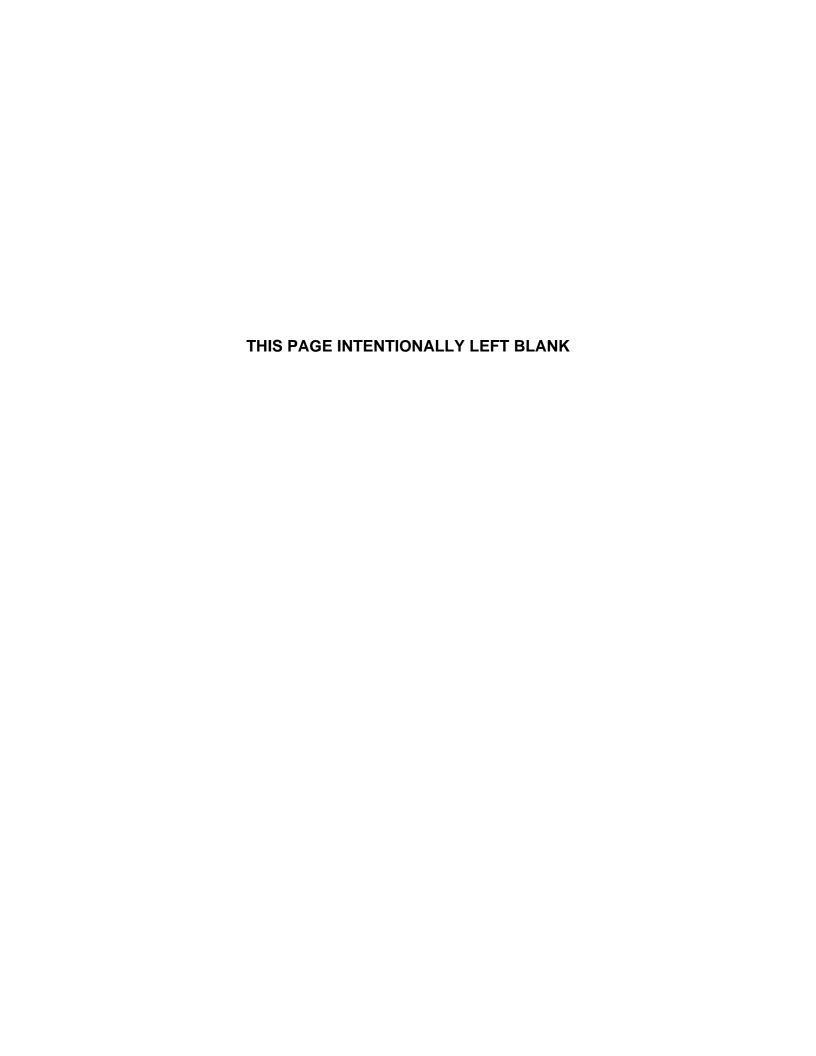


FINANCIAL STATEMENTS
TOGETHER WITH
INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED
JUNE 30, 2010



#### ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2010

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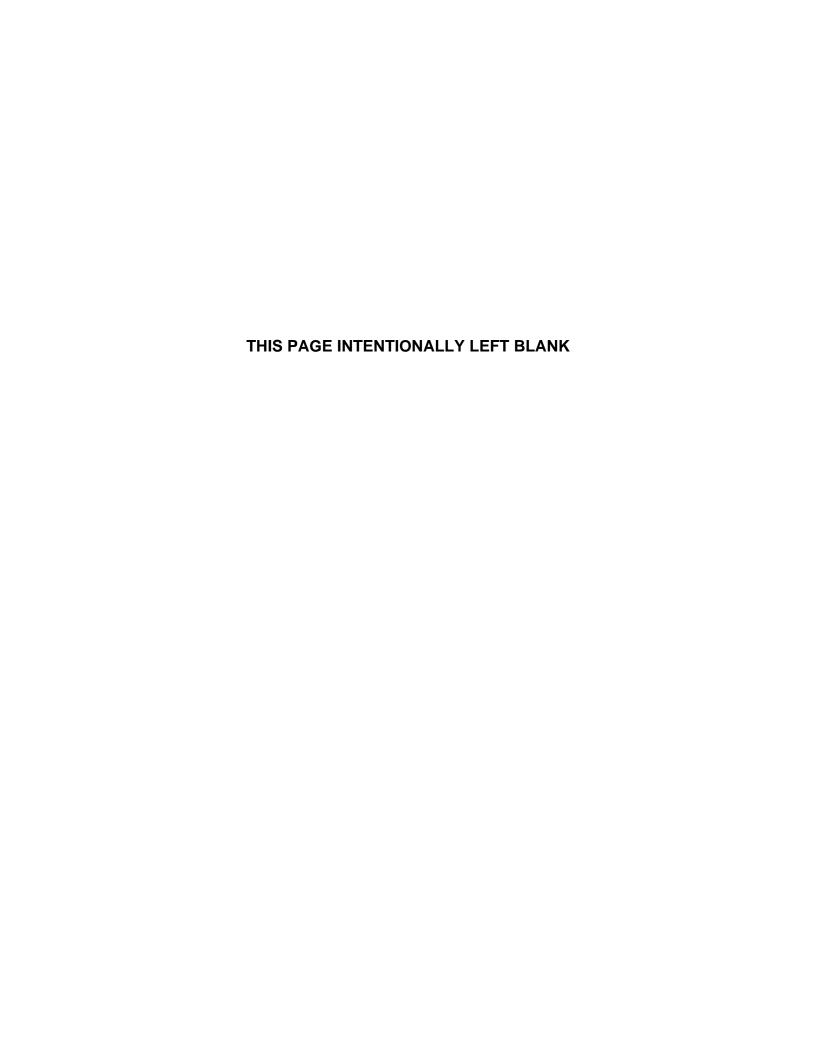
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INTRODUCTORY SECTION			
•	County Officials		



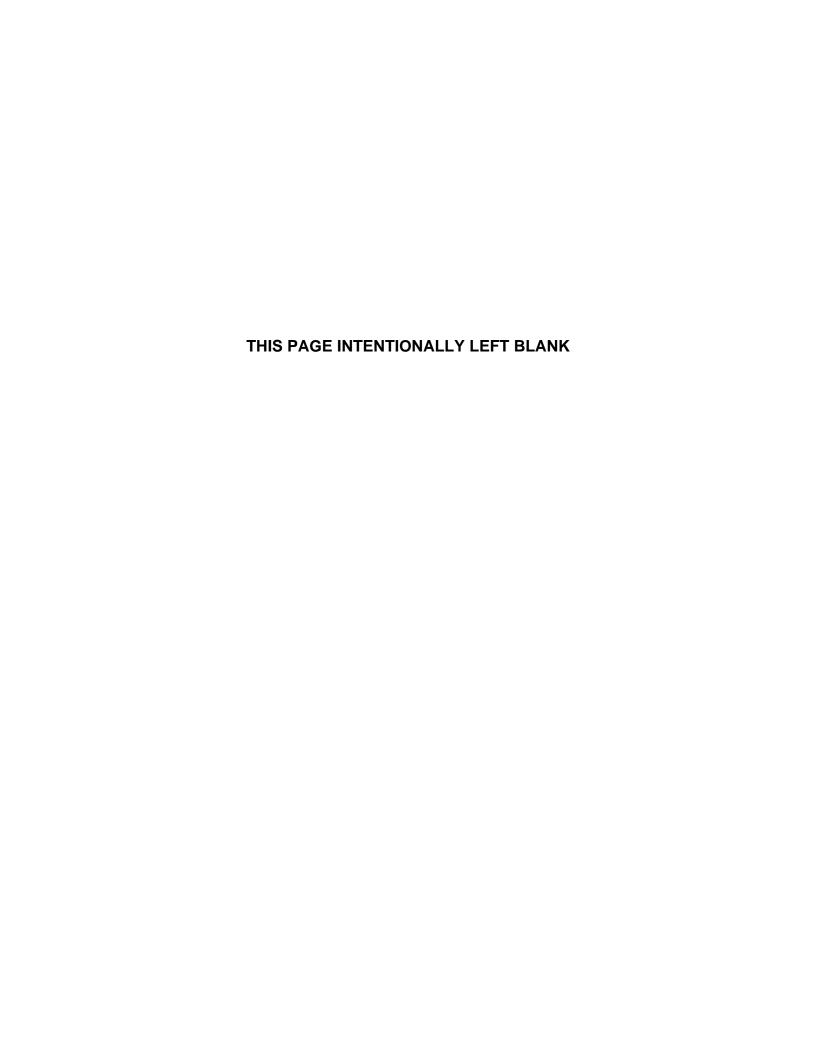
## COUNTY OF SISKIYOU, CALIFORNIA COUNTY OFFICIALS FOR THE YEAR ENDED JUNE 30, 2010

#### **ELECTED OFFICIALS**

Supervisor, District I	Jim Cook
Supervisor, District 2	Ed Valenzuela
Supervisor, District 3	Michael Kobseff
Supervisor, District 4	Grace Bennett
Supervisor, District 5	Marcia Armstrong
County Clerk	Colleen Setzer
District Attorney and Public Administrator	James "Kirk" Andrus
Interim Recorder	Jennie Ebejer
Sheriff/Coroner	Rick Riggins
Tax Collector - Treasurer	Wayne Hammar

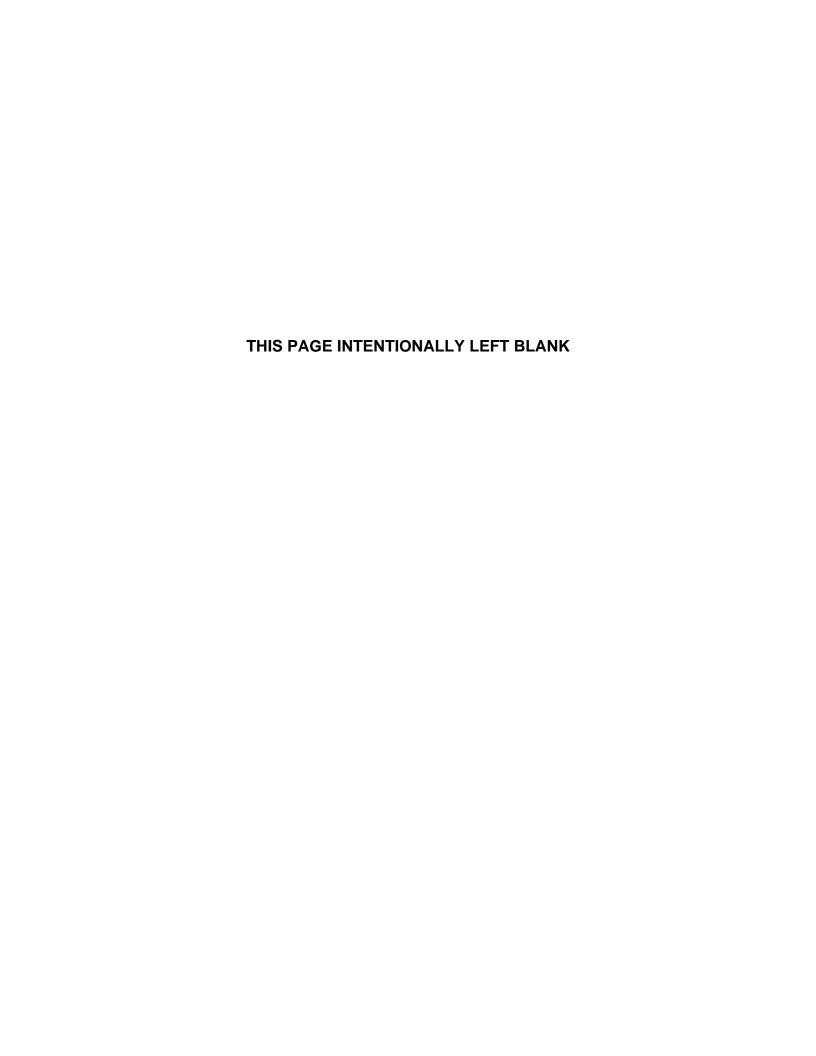
#### **DEPARTMENT DIRECTORS/ADMINISTRATORS**

Administrative Officer	Brian McDermott
Agricultural Commissioner	Patrick Griffin
Airports, Director of	
Assessor	Mike Mallory
Assistant Auditor-Controller	
Behavioral Health Director	Lauri Hunner
Child Support Services	Susan Pritchett
Civil Defense Director	Brian McDermott
County Counsel	Thomas Guarino
Farm Advisor - Yreka	Steve Orloff
Fire Warden	Bernie Paul
Human Service Director	Michael Noda
Librarian - County	Elizabeth Emry
Museum Curator	Michael Hendryx
Planning Director	Terry Barber
Interim Chief Probation Officer	Todd Heie
Public Defender	Lael Kayfetz
Public Health	Terry Barber
Public Works, Director of	Scott Sumner
Sealer - Weights & Measures	Patrick Griffin
Veteran's Service Officer	Michael Murphy



## **FINANCIAL SECTION**

- Independent Auditor's Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Required Supplementary Information
- Combining Nonmajor Fund Statements



## **SMITH & NEWELL**

CERTIFIED PUBLIC ACCOUNTANTS

#### INDEPENDENT AUDITOR'S REPORT

To The Board of Supervisors and Grand Jury County of Siskiyou Yreka, California

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Siskiyou, California (County), as of and for the year ended June 30, 2010, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated March 18, 2011, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of Funding Progress, and Budgetary Comparison Schedules as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing information and comparing the information for consistency with managements responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

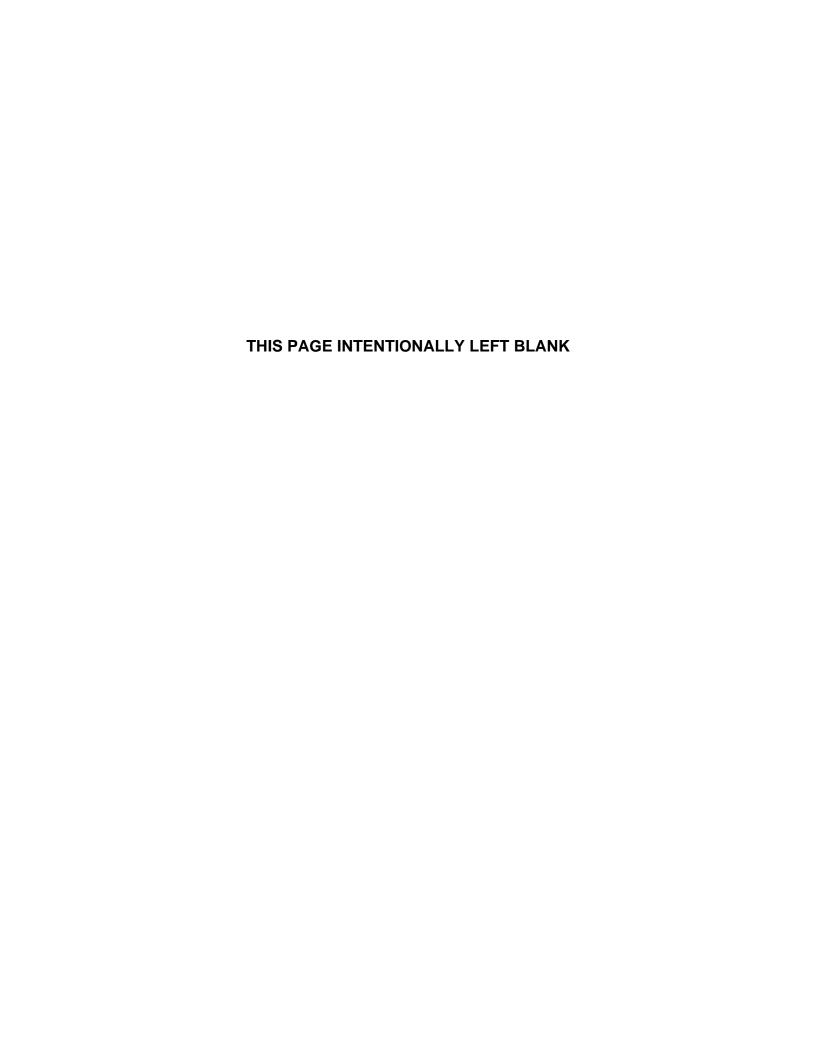
To The Board of Supervisors and Grand Jury County of Siskiyou Yreka, California

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's financial statements as a whole. The introductory section and combining nonmajor fund statements are presented for purposes of additional analysis and are not a required part of the financial statements. The combining fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.

Smith & Newell CPA's Yuba City, California

March 18, 2011





#### Management's Discussion & Analysis

As management of the County of Siskiyou, we offer readers of the County of Siskiyou's financial statements this narrative overview and analysis of the financial activities of the County of Siskiyou for the fiscal year ended June 30, 2010. We encourage readers to consider the information presented here in conjunction with the County's basic financial statements following this section.

#### **Financial Highlights**

- The assets of the County of Siskiyou exceeded its liabilities at the close of the most recent fiscal year by \$95,363,537 (net assets). Of this amount \$102,930,485 is invested in capital assets net of related debt, \$14,342,096 is restricted for specific purposes and a negative \$21,909,044 (unrestricted net assets) is available to meet the government's on going obligations to citizens and creditors. Significant activities have occurred in the last couple of years that have a significant impact on the County's financial statements. The implementation of GASB 45, GASB 51, and GASB 54.
- The government's total net assets increased by \$2,240,212. This
  increase is primarily attributable to an increase in cash, accounts
  receivable and the restriction of specific cash and investments that had
  not existed in previous years.
- As of the close of the current fiscal year, the County of Siskiyou's governmental funds reported combined ending fund balances of \$27,271,948 an increase of \$1,286,674 in comparison with the prior year. Approximately 36.68% of this total amount, \$10,002,760, is available for spending at the government's discretion (committed, assigned, and unassigned fund balance), which represents a 24.42% decrease over last year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was a negative \$1,295,961. The committed portion of fund balance is \$188,494, the restricted portion of fund balance is \$953,204, and the nonspendable portion of fund balance is \$73,279 for a total general fund balance of negative \$80,984.
- The County of Siskiyou's total debt increased by \$3,242,544. Of that amount, the County recorded an additional \$3,018,135 of Net OPEB Obligation as required by GASB 45. The County's governmental activities debt consists of revenue bonds for Carrick Water in CSA#5, pension obligation bonds used for the advance pay of employee pension obligations, loans from California Infrastructure Bank for construction of a 40 bed juvenile hall facility, capitalized leased equipment, Net OPEB

Obligation, and the liability for compensated absences. Compensated absences will vary from year to year based on employee use of vacation and comp time and total number of employees. Business-type debt consists of California Integrated Waste Management and California Infrastructure loans to finance landfill closures and transfer station construction as well as the closure/post closure debt, Net OPEB Obligation, and the liability for compensated absences related to business type activities. Business-type debt consists of a total increase of \$713,609. The increase in debt was primarily due to the increase in the closure/post closure liability for the landfills.

#### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the County of Siskiyou's basic financial statements. The County of Siskiyou's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-Wide Financial Statements.** The government-wide financial statements are designed to provide readers with a broad overview of the County of Siskiyou's finances, in a manner similar to a private-sector business.

The **statement of net assets** presents information on all of the County of Siskiyou's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County of Siskiyou is improving or deteriorating.

The **statement of activities** presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. (E.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the County of Siskiyou that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County of Siskiyou include general government, public protection, public ways and facilities, health and sanitation, public assistance, education and recreation and cultural services.

The business-type activities of the County of Siskiyou include Sanitation, Siskiyou Transit & General Express, and Aviation.

The government-wide financial statements include not only the County of Siskiyou itself (known as the primary government), but also legally separate component units that are blended into the reporting activities of the County. These component units are the California Children and Families First Commission, Flood Control and Water Conversation District, Air Pollution Control District, County Service Areas #3, #4, and #5, Local Transportation Administration, Regional Transportation Planning, Hammond Ranch Fire Zone, McCloud Fire Zone, Mount Shasta Vista Fire Zone, and Pleasant Valley Fire Zone. These component unites are included in the County's financial reporting because of the significance of their financial or operational relationship and their mutual governing body.

**Fund Financial Statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County of Siskiyou, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County of Siskiyou can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on (1) how cash and other financial assets can readily be converted to available resources and (2) the balances left at year-end that are available for spending. Such information may be useful in determining what financial resources are available in the near future to finance the County's programs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so readers may better understand the long-tern impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County of Siskiyou maintains several individual governmental funds organized according to their type (special revenue, debt service and capital projects). Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Road, Human Services, Public Health, and Behavioral Health Services and these funds are considered to be major funds. Data from the other governmental funds are combined into a single, aggregate presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The County of Siskiyou adopts an annual appropriate budget for its General Fund and special revenue funds. A budgetary comparison statement has been provided for the General Fund and major special revenue funds to demonstrate compliance with this budget.

**Proprietary Funds.** The County of Siskiyou maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County of Siskiyou uses enterprise funds to account for Aviation, Sanitation, and STAGE (Siskiyou Transportation and General Express) operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County of Siskiyou's various functions. The County of Siskiyou uses internal service funds to account for a variety of insurances, such as Risk Management-Unemployment, Risk Management-Liability, Risk Management-Worker's Compensation, Vision, and Dental. Other internal service funds include Fuel Services and Communications. Because both of these services predominantly benefit governmental rather than business-type functions, they have been included within the governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Siskiyou Transit & Express (STAGE), Aviation, and Sanitation fund that are considered major funds of the County of Siskiyou. Conversely, all internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements.

**Fiduciary Funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County of Siskiyou's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County of Siskiyou's progress in developing, executing and monitoring its budgeting processes.

The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the required supplementary information.

#### **Government-Wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County of Siskiyou, assets exceed liabilities by \$95,363,537 at the close of the most recent fiscal year.

By far the largest portion of the County of Siskiyou's net assets (107.93 percent) reflects its investment in capital assets (e.g. land, buildings, machinery, equipment and infrastructure), less any related debt used to acquire those assets that are still outstanding. Net assets invested in capital assets, net of related debt increased from \$99,838,580 at June 30, 2009, to \$102,930,485 at June 30, 2010. The County of Siskiyou uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Although the County of Siskiyou's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital asset cannot be used to liquidate those liabilities.

An additional portion of the County of Siskiyou's net assets (15.04 percent or \$14,342,096) represents resources that are subject to external restrictions on how they may be used. The remaining deficit is unrestricted net assets (\$21,909,044), which is available to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the County of Siskiyou is able to report positive balances in net assets for the government as a whole, but not for the Business Activities due to the number of loans outstanding and the closure/post closure liability in those funds.

**Governmental Activities.** Governmental activities increased the County's net assets by \$1,951,251. The Governmental activities reflected a greater positive change in total net assets before the net income of \$288,961 in Business-Type Activities.

**Business-type activities**. Business-type activities increased the County's net assets by \$288,961.

#### Financial Analysis of the Government's Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds.** The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for budgeting purposes at the end of the fiscal year.

At June 30, 2010, the County's governmental funds reported combined ending fund balances of \$27,271,948 an increase of \$1,286,674 in comparison with the prior year.

The following major governmental funds relected deficit fund balances at year end:

- The General Fund had a deficit fund balance of \$80,984, which is expected to be eliminated in the future through cost containment and future reimbursements.
- The Human Services fund had a deficit fund balance of \$82,596, which is expected to be eliminated in the future through cost containment and future reimbursements.

The following non-major governmental funds reflected deficit fund balances at year-end:

- The Inmate Health Program fund had a deficit fund balance of \$24,737, which will need to be covered by the general fund.
- The EDEF grant funds had a deficit fund balance of \$131,953, which is expected to be eliminated in future years through more timely receipt of grant funding reimbursements.
- The Lake Siskiyou Trail Project grant fund had a deficit fund balance of \$70,325, which is expected to be eliminated in future years through more timely receipt of grant funding reimbursements. However, this does not seem to be possible from these grant sources.

 The Wagon Creek Bridge McConnell grant fund had a deficit fund balance of \$525,395, which is expected to be eliminated in future years through more timely receipt of grant funding reimbursements. However, this does not seem to be possible from these grant sources.

**Proprietary Funds.** The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The enterprise funds have deficit net assets of \$2,747,355. Of the enterprise funds, STAGE has shown a net increase of \$876,381 in net assets and a \$1,473,499 operating loss. Non-operating revenues of \$2,349,880 from a variety of sources help to cover this loss. The Aviation fund has reflected an \$893,839 operating loss and \$113,087 in non-operating revenues.

Sanitation has reflected a net operating loss of \$94,350 for the fiscal year. The final net asset amount for the fund is (\$9,893,729). The closure of all landfills within the County has had a significant impact on this fund. This fund will be used to continue the closure/post closure liability costs, and to fund the closure process of the Yreka Landfill cells, and to create a transfer site. Once this site is officially closed, there will be another adjustment to reflect this change in use. The department continues to evaluate the operations for the means to recover from this deficit.

The advance of funds to Sanitation from the treasury has been paid in full.

The net assets of the internal services funds' increased from \$540,990 to \$645,749. Most of the increase related to the following;

• The service and supplies expenditures decreased from the prior year from \$2,445,226 to \$1,793,949, a 27% decrease.

The following proprietary funds reflected deficit net assets at year-end:

• The Sanitation fund had a net asset deficit of \$9,893,729, which is expected to be eliminated in future years through increased user charges and retirement of closure/post closure liability and related debt payoff.

#### **General Fund Budgetary Highlights**

Differences between the adopted budget and the final budget at the end of the fiscal year can be briefly summarized as follows:

- \$129,970 in miscellaneous increases in general governmental activities
- \$1,925,527 in decreases allocated to public protection
- \$ 105,023 in increases allocated to public assistance
- \$43.605 in increases allocated to education and culture and recreation

While these budgetary changes were the result of anticipating what changes would occur in state funding levels, the following reflects the actual amounts spent compared to final budget at the end of the fiscal year:

- \$817,607 under budget in miscellaneous general governmental activities
- \$1,401,235 under budget in public protection
- \$174 over budget in health and welfare
- \$43,316 under budget in public assistance
- \$7,624 over budget in education, culture and recreation, and public ways and facilities.

The final revenues for the General Fund were lower in total than final budget estimates by \$2,250,575.

#### **Capital Asset and Debt Administration**

**Capital Assets.** The County's investment in capital assets for these governmental and business type activities as of June 30, 2010, amounts to \$104,961,056 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, park facilities, roads, highways, bridges, and intangible assets. Currently, all land, buildings and general equipment fixed assets have been appropriately booked under GASB 34 requirements along with their accumulated depreciation.

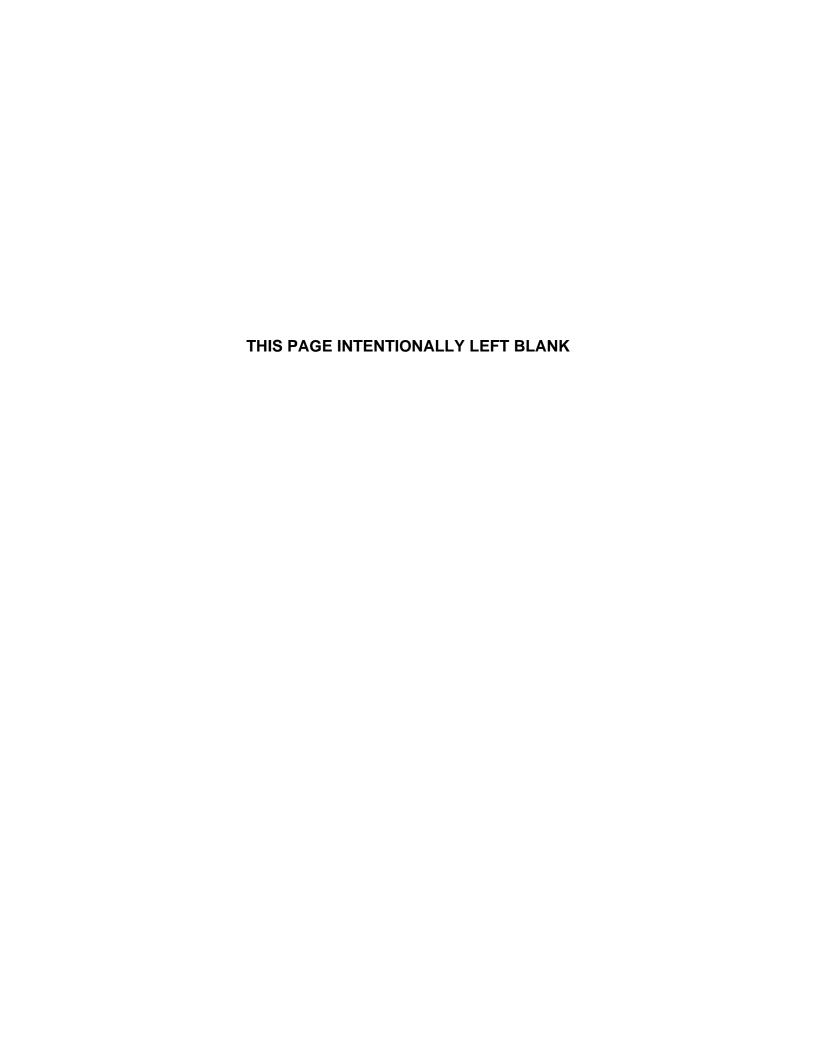
**Debt Administration.** At the end of the current fiscal year, the County had total long-term obligations outstanding of \$40,797,504. The County recorded it Net OPEB Obligation of \$5,724,051 as required by GASB 45.

#### **Economic Factors and Next Year's Budget**

The State of California's financial difficulty over the past few years has been very difficult on the County. For the 09/10 budget, the County was impacted by the loss of the Williamson Act money. The State of California has not passed a budget that has any true value and should be considered to still be unstable financially. The budget process went relatively smooth during the 09/10 cycle, projections are being brought more in line with more realistic revenue and expenditure figures.

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in the report or requests for additional financial information should be addressed to Jennie Ebejer, Siskiyou County Auditor-Controller, 311 Fourth St, Rm 101, Yreka, CA 96097.





#### STATEMENT OF NET ASSETS JUNE 30, 2010

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 32,066,410	\$ 4,157,388	\$ 36,223,798
Restricted cash	371,980	635,225	1,007,205
Accounts receivable	12,713,153	4,060,052	16,773,205
Interest receivable	252,855	11,975	264,830
Taxes receivable	696,057	-	696,057
Deposits	240	_	240
Inventory	879,835	53,762	933,597
Internal balances	(42,728)	42,728	-
Loans receivable	3,476,688		3,476,688
Capital assets	3, 3,033		0, 0,000
Non depreciable	8,088,647	578,446	8,667,093
Depreciable, net	90,197,498	6,096,465	96,293,963
Total capital assets	98,286,145	6,674,911	104,961,056
Total capital associa	00,200,140	0,074,011	104,001,000
Total Assets	148,700,635	15,636,041	164,336,676
LIABILITIES			
Accounts payable	16,062,556	427,769	16,490,325
Accrued salaries and benefits	2,623,294	71,126	2,694,420
Accrued interest expense	4,876	24,392	29,268
Accrued claims liability	75,998	-	75,998
Deposits payable	385,541	-	385,541
Unearned revenue	4,650,083	3,850,000	8,500,083
Long-term liabilities			
Due within one year	1,355,128	227,599	1,582,727
Due in more than one year	25,432,267	13,782,510	39,214,777
,	<del></del>		<del></del>
Total Liabilities	50,589,743	18,383,396	68,973,139
NET ASSETS			
Invested in capital assets, net of related debt	96,255,574	6,674,911	102,930,485
Restricted for			
General government	1,509,835	-	1,509,835
Public protection	1,331,255	-	1,331,255
Public assistance	205,266	-	205,266
Health and welfare	3,647,846	-	3,647,846
Public ways and facilities	7,647,894	-	7,647,894
Unrestricted	(12,486,778)	(9,422,266)	(21,909,044)
Total Net Assets	\$ 98,110,892	\$ (2,747,355)	\$ 95,363,537

#### STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2010

FUNCTIONS/PROGRAMS	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:	<b>A 7</b> 000000	<b>A</b> 4450000	<b>A</b> 070.050	<b>A</b> 00 000	
General government	\$ 7,399,006	\$ 4,156,900	\$ 372,250	\$ 23,822	
Public protection	34,644,818	4,371,428	8,334,904	-	
Health and welfare	22,021,560	992,823	20,764,227	-	
Public assistance	21,413,783	28,383	22,052,310	-	
Education	1,156,747	20,046	81,469	-	
Culture and recreation	71,075	3,230	-	-	
Public ways and facilities	12,963,947	5,312,272	13,495,447	5,095,879	
Interest on long-term debt	1,254,001				
Total Governmental Activities	100,924,937	14,885,082	65,100,607	5,119,701	
Business-type activities:					
STAGE	1,892,108	209,374	2,325,353	-	
Sanitation	2,304,708	2,150,462	289,585	-	
Aviation	895,245	1,285	5,842		
Total Business-Type Activities	5,092,061	2,361,121	2,620,780		
Total	\$ 106,016,998	\$ 17,246,203	\$ 67,721,387	\$ 5,119,701	

#### General revenues:

Taxes:

Property taxes Sales and use taxes

Transient occupancy taxes

Property transfer taxes

Timber yield taxes

Franchise taxes

Unrestricted grants and contributions

**Program Revenues** 

Tobacco settlement

Interest and investment earnings

Miscellaneous

**Total General Revenues** 

**Change in Net Assets** 

**Net Assets - Beginning** 

Prior peiod adjustment

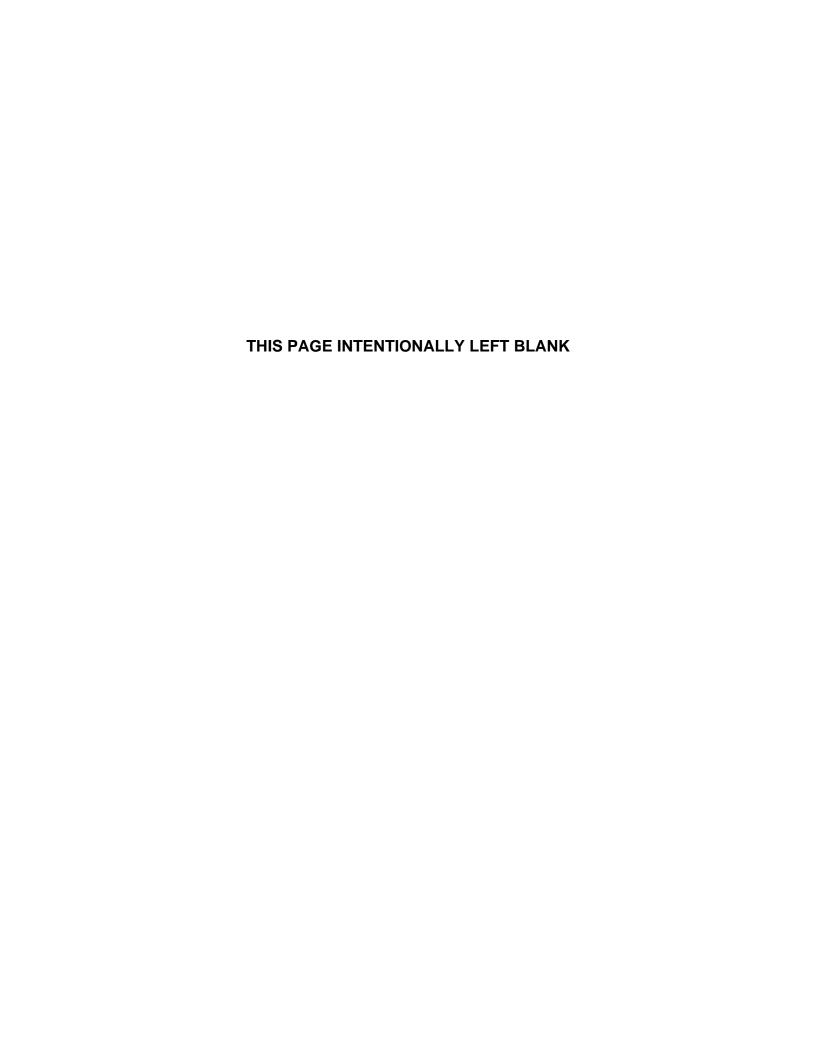
Cumulative effect of change in accounting principle

Net Assets - Beginning, Restated

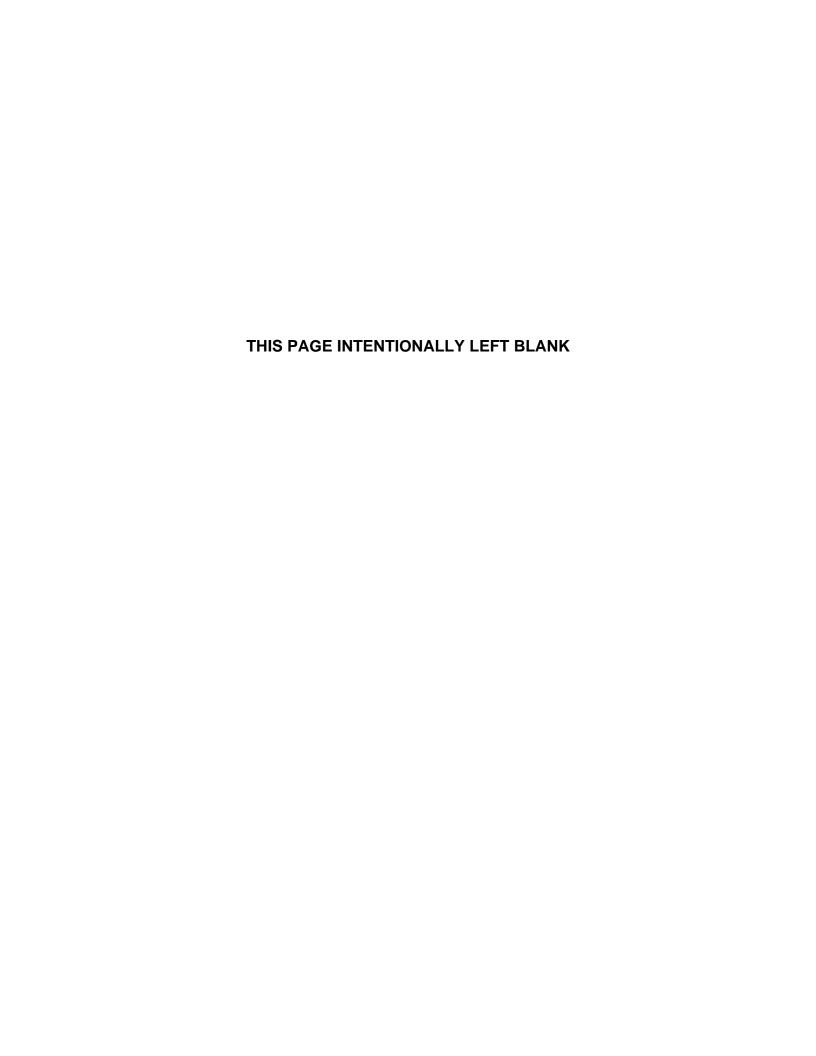
Net Assets - Ending

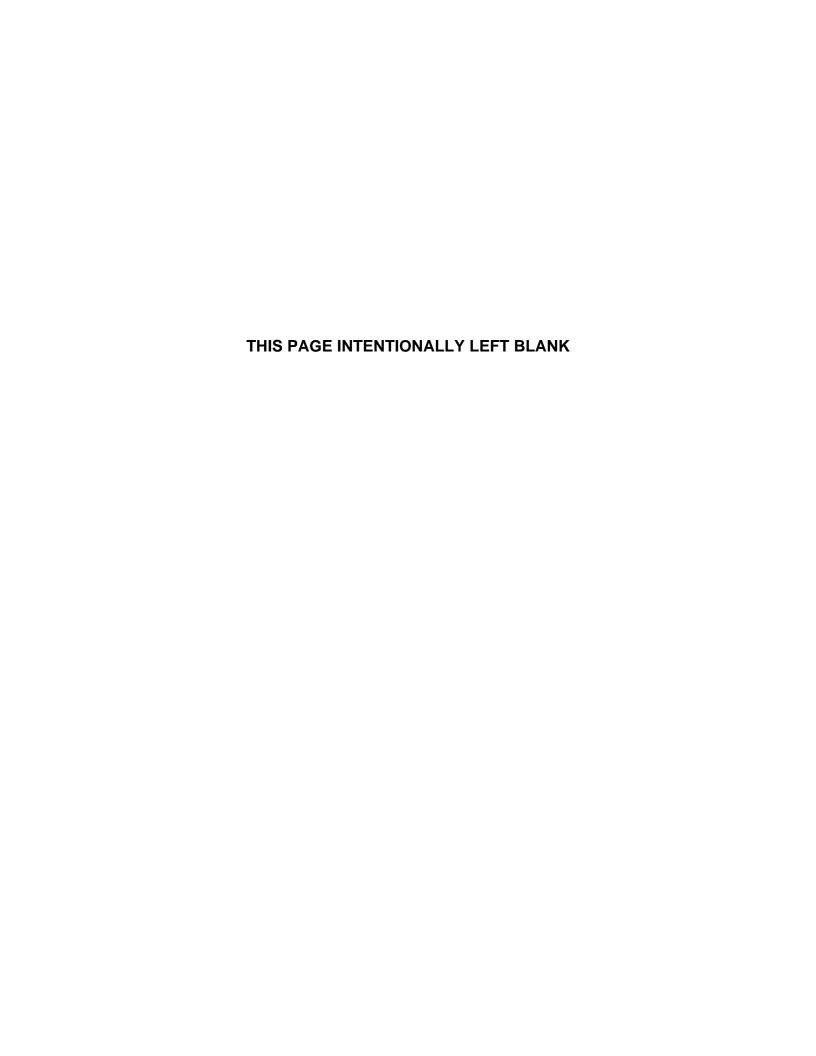
#### Net (Expense) Revenue and Changes in Net Assets

Governmental Activities	Business- Type Activities	Total
\$ (2,846,034)	\$ -	\$ (2.846,034)
\$ (2,846,034) (21,938,486)	φ -	\$ (2,846,034) (21,938,486)
(264,510)	-	, , ,
666,910	-	(264,510) 666,910
(1,055,232)		(1,055,232)
(67,845)		(67,845)
10,939,651	-	10,939,651
(1,254,001)	_	(1,254,001)
(1,204,001)		(1,254,001)
(15,819,547)		(15,819,547)
-	642,619	642,619
=	135,339	135,339
	(888,118)	(888,118)
	(110,160)	(110,160)
(15,819,547)	(110,160)	(15,929,707)
11,701,183	_	11,701,183
4,568,960	_	4,568,960
453,545	_	453,545
120,977	_	120,977
44,408	_	44,408
323,864	_	323,864
1,554,547	_	1,554,547
150,000	_	150,000
2,004,599	189,765	2,194,364
3,079,209	209,356	3,288,565
24,001,292	399,121	24,400,413
8,181,745	288,961	8,470,706
96,159,641	(3,036,316)	93,123,325
(7,809,007)	-	(7,809,007)
1,578,513		1,578,513
89,929,147	(3,036,316)	86,892,831
\$ 98,110,892	\$ (2,747,355)	\$ 95,363,537









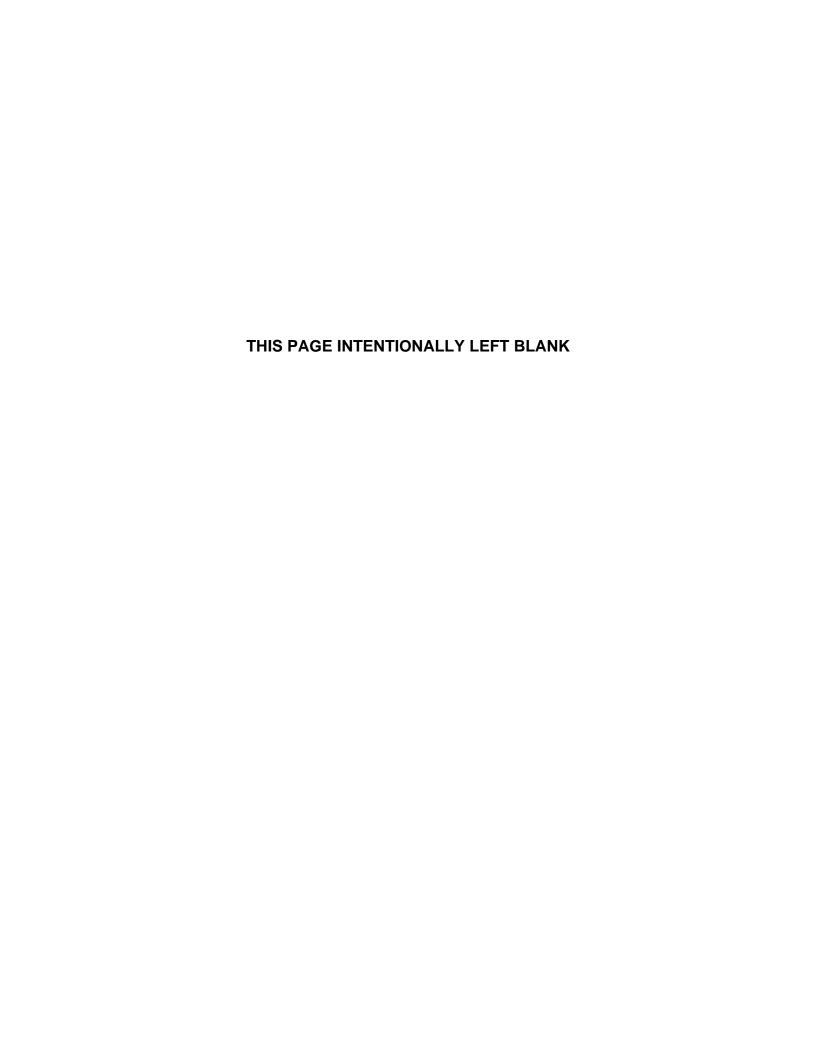
#### BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2010

	 General Fund	Road		Human Services		Public Health
ASSETS	_					_
Cash and investments	\$ 52,351	\$ 14,246,748	\$	604,796	\$	462,808
Restricted cash	371,980	-		-		-
Accounts receivable	1,598,095	1,337,979		262,448		228,366
Interest receivable	140,757	46,672		3,148		1,555
Taxes receivable	78,357	226,585		230,005		65,169
Deposits	240	-		-		-
Due from other funds	1,685,349	157,026		185,341		384,692
Loans receivable	-	-		-		-
Inventory	 73,279	771,672				-
Total Assets	\$ 4,000,408	\$ 16,786,682	\$	1,285,738	\$	1,142,590
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 1,189,479	\$ 2,240,259	\$	110,490	\$	56,156
Accrued salaries and benefits	1,324,886	327,826		334,452		166,079
Interest payable	-	-		-		-
Deposits payable	370,827	-		14,714		-
Due to other funds	351,558	109,238		82,516		408,260
Unearned revenue	 844,642			826,162	-	13,838
Total Liabilities	 4,081,392	2,677,323		1,368,334		644,333
Fund Balances						
Nonspendable	73,279	771,672		-		-
Restricted	953,204	1,833,141		10,235		495,757
Committed	188,494	139,588		50,411		2,500
Assigned	-	11,364,958		-		-
Unassigned	 (1,295,961)			(143,242)	-	-
Total Fund Balances	 (80,984)	14,109,359	_	(82,596)		498,257
Total Liabilities and Fund Balances	\$ 4,000,408	\$ 16,786,682	\$	1,285,738	\$	1,142,590

\$ 3,730,912  \$ 11,381,402  \$ 30,479,017	Behavioral Health Services	Other Governmental Funds	Total
1,173,765       446,359       5,047,012         12,376       43,370       247,878         95,668       273       696,057         -       -       240         100,710       539       2,513,657         -       3,476,688       3,476,688         -       -       844,951         \$ 5,113,431       \$ 15,348,631       \$ 43,677,480         \$ 2,413,914       \$ 1,097,025       \$ 7,107,323         326,357       129,271       2,608,871         -       -       1,477       1,477         -       -       385,541         110,256       590,409       1,652,237         -       2,965,441       4,650,083         2,850,527       4,783,623       16,405,532         -       -       844,951         2,251,604       10,880,296       16,424,237         11,300       105,093       497,386         11,300       105,093       497,386         11,697,632       (753,055)       (2,192,258)         2,262,904       10,565,008       27,271,948	\$ 3 730 012	\$ 11 381 <i>4</i> 02	\$ 30.479.017
1,173,765         446,359         5,047,012           12,376         43,370         247,878           95,668         273         696,057           -         -         240           100,710         539         2,513,657           -         3,476,688         3,476,688           -         -         844,951           \$ 5,113,431         \$ 15,348,631         \$ 43,677,480           \$ 2,413,914         \$ 1,097,025         \$ 7,107,323           326,357         129,271         2,608,871           -         -         385,541           110,256         590,409         1,652,237           -         2,965,441         4,650,083           2,850,527         4,783,623         16,405,532           -         -         844,951           2,251,604         10,880,296         16,424,237           11,300         105,093         497,386           11,300         105,093         497,386           -         332,674         11,697,632           -         (753,055)         (2,192,258)           2,262,904         10,565,008         27,271,948	Ψ 3,730,312	Ψ 11,501,402	
12,376       43,370       247,878         95,668       273       696,057         -       -       240         100,710       539       2,513,657         -       3,476,688       3,476,688         -       -       844,951         \$ 5,113,431       \$ 15,348,631       \$ 43,677,480         \$ 2,413,914       \$ 1,097,025       \$ 7,107,323         326,357       129,271       2,608,871         -       -       1,477       1,477         -       -       385,541       110,256       590,409       1,652,237         -       2,965,441       4,650,083         2,850,527       4,783,623       16,405,532         -       -       844,951         2,251,604       10,880,296       16,424,237         11,300       105,093       497,386         11,300       105,093       497,386         -       332,674       11,697,632         -       (753,055)       (2,192,258)         2,262,904       10,565,008       27,271,948	1,173,765	446,359	
100,710       539       2,513,657         3,476,688       3,476,688         844,951         \$ 5,113,431       \$ 15,348,631       \$ 43,677,480         \$ 2,413,914       \$ 1,097,025       \$ 7,107,323         326,357       129,271       2,608,871         -       1,477       1,477         -       -       385,541         110,256       590,409       1,652,237         -       2,965,441       4,650,083         2,850,527       4,783,623       16,405,532         -       844,951         11,300       105,093       497,386         -       332,674       11,697,632         -       (753,055)       (2,192,258)         2,262,904       10,565,008       27,271,948		43,370	
100,710       539       2,513,657         3,476,688       3,476,688         844,951         \$ 5,113,431       \$ 15,348,631       \$ 43,677,480         \$ 2,413,914       \$ 1,097,025       \$ 7,107,323         326,357       129,271       2,608,871         -       1,477       1,477         -       -       385,541         110,256       590,409       1,652,237         -       2,965,441       4,650,083         2,850,527       4,783,623       16,405,532         -       -       844,951         2,251,604       10,880,296       16,424,237         11,300       105,093       497,386         -       332,674       11,697,632         -       (753,055)       (2,192,258)         2,262,904       10,565,008       27,271,948	95,668	273	696,057
- 3,476,688 3,476,688 844,951  \$ 5,113,431 \$ 15,348,631 \$ 43,677,480  \$ 2,413,914 \$ 1,097,025 \$ 7,107,323 326,357 129,271 2,608,871 1,477 1,477 385,541 110,256 590,409 1,652,237 2,965,441 4,650,083  2,850,527 4,783,623 16,405,532  844,951 16,405,532  844,951 16,424,237 11,300 105,093 497,386 16,424,237 11,300 105,093 497,386 11,697,632 7,258,055 (2,192,258)  2,262,904 10,565,008 27,271,948	-	-	240
-       844,951         \$ 5,113,431       \$ 15,348,631       \$ 43,677,480         \$ 2,413,914       \$ 1,097,025       \$ 7,107,323         326,357       129,271       2,608,871         -       1,477       1,477         -       -       385,541         110,256       590,409       1,652,237         -       2,965,441       4,650,083         2,850,527       4,783,623       16,405,532         2,251,604       10,880,296       16,424,237         11,300       105,093       497,386         -       332,674       11,697,632         -       (753,055)       (2,192,258)         2,262,904       10,565,008       27,271,948	100,710	539	2,513,657
\$ 5,113,431 \$ 15,348,631 \$ 43,677,480 \$ 2,413,914 \$ 1,097,025 \$ 7,107,323 326,357 129,271 2,608,871 - 1,477 1,477 - 385,541 110,256 590,409 1,652,237 - 2,965,441 4,650,083 2,850,527 4,783,623 16,405,532 844,951 2,251,604 10,880,296 16,424,237 11,300 105,093 497,386 - 332,674 11,697,632 - (753,055) (2,192,258) 2,262,904 10,565,008 27,271,948	-	3,476,688	
\$ 2,413,914 \$ 1,097,025 \$ 7,107,323 326,357 129,271 2,608,871 - 1,477 1,477 385,541 110,256 590,409 1,652,237 - 2,965,441 4,650,083 2,850,527 4,783,623 16,405,532 844,951 2,251,604 10,880,296 16,424,237 11,300 105,093 497,386 - 332,674 11,697,632 - (753,055) (2,192,258) 2,262,904 10,565,008 27,271,948			844,951
326,357     129,271     2,608,871       -     1,477     1,477       -     -     385,541       110,256     590,409     1,652,237       -     2,965,441     4,650,083       2,850,527     4,783,623     16,405,532       -     -     844,951       2,251,604     10,880,296     16,424,237       11,300     105,093     497,386       -     332,674     11,697,632       -     (753,055)     (2,192,258)       2,262,904     10,565,008     27,271,948	\$ 5,113,431	\$ 15,348,631	\$ 43,677,480
326,357       129,271       2,608,871         -       1,477       1,477         -       385,541         110,256       590,409       1,652,237         -       2,965,441       4,650,083         2,850,527       4,783,623       16,405,532         -       -       844,951         2,251,604       10,880,296       16,424,237         11,300       105,093       497,386         -       332,674       11,697,632         -       (753,055)       (2,192,258)         2,262,904       10,565,008       27,271,948			
- 1,477 1,477 385,541 110,256 590,409 1,652,237 2,965,441 4,650,083 2,850,527 4,783,623 16,405,532 - 844,951 2,251,604 10,880,296 16,424,237 11,300 105,093 497,386 - 332,674 11,697,632 - (753,055) (2,192,258) 2,262,904 10,565,008 27,271,948	\$ 2,413,914	\$ 1,097,025	\$ 7,107,323
- 385,541 110,256 590,409 1,652,237 - 2,965,441 4,650,083 2,850,527 4,783,623 16,405,532 844,951 2,251,604 10,880,296 16,424,237 11,300 105,093 497,386 - 332,674 11,697,632 - (753,055) (2,192,258) 2,262,904 10,565,008 27,271,948	326,357	129,271	2,608,871
110,256     590,409     1,652,237       2,965,441     4,650,083       2,850,527     4,783,623     16,405,532       -     -     844,951       2,251,604     10,880,296     16,424,237       11,300     105,093     497,386       -     332,674     11,697,632       -     (753,055)     (2,192,258)       2,262,904     10,565,008     27,271,948	-	1,477	•
- 2,965,441 4,650,083  2,850,527 4,783,623 16,405,532  844,951 2,251,604 10,880,296 16,424,237 11,300 105,093 497,386 - 332,674 11,697,632 - (753,055) (2,192,258)  2,262,904 10,565,008 27,271,948	-	<u>-</u>	•
2,850,527	110,256	,	
844,951 2,251,604 10,880,296 16,424,237 11,300 105,093 497,386 - 332,674 11,697,632 - (753,055) (2,192,258) 2,262,904 10,565,008 27,271,948	-	2,965,441	4,650,083
2,251,604     10,880,296     16,424,237       11,300     105,093     497,386       -     332,674     11,697,632       -     (753,055)     (2,192,258)       2,262,904     10,565,008     27,271,948	2,850,527	4,783,623	16,405,532
2,251,604     10,880,296     16,424,237       11,300     105,093     497,386       -     332,674     11,697,632       -     (753,055)     (2,192,258)       2,262,904     10,565,008     27,271,948			
11,300 105,093 497,386 - 332,674 11,697,632 - (753,055) (2,192,258) 2,262,904 10,565,008 27,271,948	-	-	•
- 332,674 11,697,632 - (753,055) (2,192,258) 2,262,904 10,565,008 27,271,948		, ,	, ,
-     (753,055)     (2,192,258)       2,262,904     10,565,008     27,271,948	11,300		•
2,262,904 10,565,008 27,271,948	-		, ,
	<del>-</del>	(753,055)	(2,192,258)
¢ 5 112 121	2,262,904	10,565,008	27,271,948
\$ 5,115,451 \$ 15,546,651 \$ 45,677,460	\$ 5,113,431	\$ 15,348,631	\$ 43,677,480

## RECONCILIATION OF GOVERNMENTAL FUND BALANCES TO THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS - GOVERNMENTAL ACTIVITIES JUNE 30, 2010

Total Fund Balance - Total Governmental Funds				
Amounts reported for governmental activities in the statement of net assets are different because:				
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds balance sheets.	98,267,100			
Other long term assets are not available to pay for current period expenditures and therefore, are not reported in the funds or reported as deferred in the governmental funds.  Accounts receivable	7,550,053			
Certain liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.				
Bonds payable	(16,343,367)			
Capital leases payable Loans payable	(55,967) (1,783,704)			
Compensated absences	(3,055,143)			
Net OPEB obligation	(5,514,946)			
Under the modified accrual basis of accounting used in governmental funds, expenditures are not recognized for transactions that are not paid with expendable available financial resources. In the statement of activities however, expenses and liabilities are reported regardless of when financial resources are available.				
Accounts payable	(8,870,831)			
Internal service funds are used by management to charge the cost of certain activities, such as insurance and equipment maintenance and operations, to individual funds. The assets and				
liabilities of the internal service funds must be added to the statement of net assets.	645,749			
Net Assets of Governmental Activities	\$ 98,110,892			



# STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2010

	General Fund	Road	Human Services	Public Health
REVENUES				
Taxes	\$ 11,659,731	\$ 126,875	\$ 2,491,171	\$ 598,364
Licenses and permits	804,325	-	-	231,837
Fines and forfeitures	1,722,289	-	1,000	3,518
Use of money and property	1,100,604	195,228	13,947	5,032
Intergovernmental	12,944,681	14,344,684	16,944,286	2,460,978
Charges for services	5,820,814	185,819	11,784	281,152
Other revenues	349,778	207,906	23,609	4,572
Total Revenues	34,402,222	15,060,512	19,485,797	3,585,453
<u>EXPENDITURES</u>				
Current:				
General government	6,461,537	-	-	-
Public protection	27,494,139	-	-	-
Health and welfare	49,073	-	-	4,045,995
Public assistance	424,052	-	19,370,440	-
Education	1,151,716	-	-	-
Culture and recreation	92,883	-	-	-
Public ways and facilities	28,079	6,625,071	-	-
Debt service:				
Principal	52,249	-	-	-
Interest and other charges	184,478	-	-	
Capital outlay	337,988	7,769,225	14,384	75,413
Total Expenditures	36,276,194	14,394,296	19,384,824	4,121,408
Excess of Revenues Over (Under) Expenditures	(1,873,972)	666,216	100,973	(535,955)
OTHER FINANCING SOURCES (USES)				
Transfers in	15,765,383	847,445	3,483	1,482,223
Transfers out	(14,433,169)	(627,119)	(617,030)	(1,029,016)
Total Other Financing Sources (Uses)	1,332,214	220,326	(613,547)	453,207
Net Change in Fund Balances	(541,758)	886,542	(512,574)	(82,748)
Fund Balances - Beginning	460,774	13,217,115	429,978	581,005
Prior period adjustment				
Fund Balances - Beginning, Restated	460,774	13,217,115	429,978	581,005
Change in inventory on purchase method		5,702		
Fund Balances - Ending	\$ (80,984)	\$ 14,109,359	\$ (82,596)	\$ 498,257

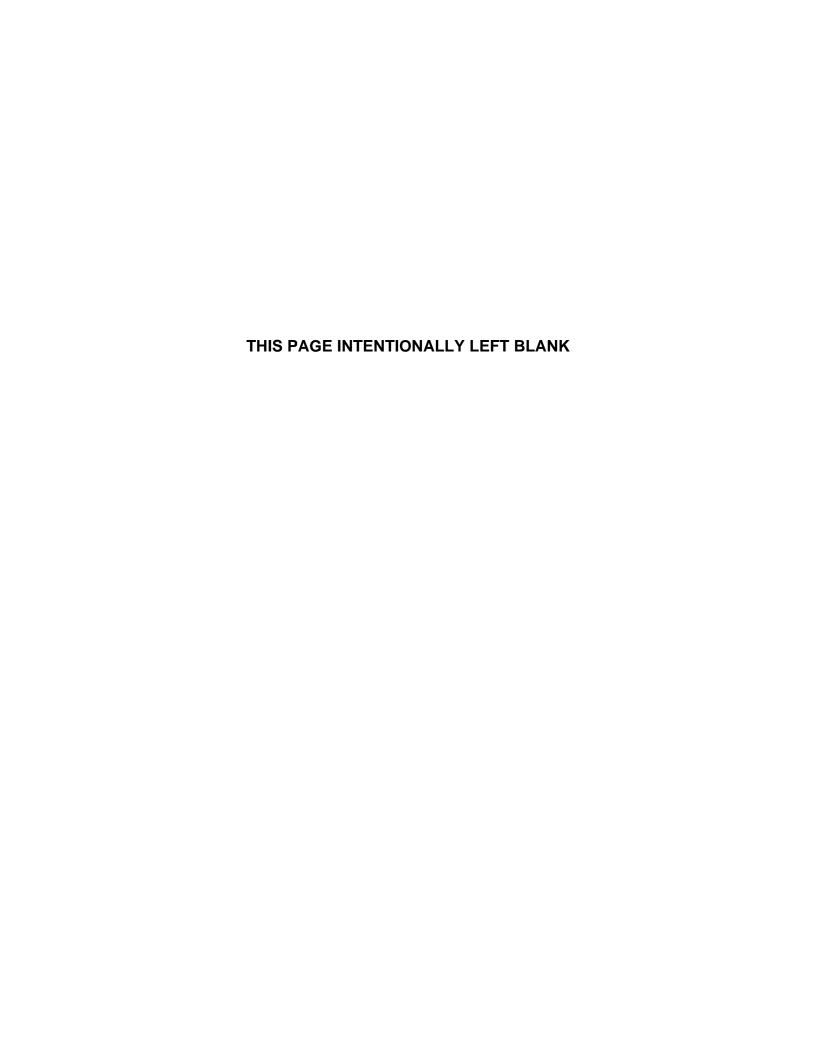
Behavioral Health Services	Other Governmental Funds	Total
\$ 793,307	\$ 432,962	\$ 16,102,410
-	100,311	1,136,473
18,926	328,226	2,073,959
82,350	609,080	2,006,241
18,199,071	6,377,264	71,270,964
229,319	230,502	6,759,390
107	2,551,549	3,137,521
19,323,080	10,629,894	102,486,958
-	6,589	6,468,126
-	4,839,302	32,333,441
17,449,798	1,365,316	22,910,182
-	973,654	20,768,146
-	3,441	1,155,157
-	-	92,883
-	267,235	6,920,385
-	178,744	230,993
-	1,066,313	1,250,791
364,974	875,891	9,437,875
17,814,772	9,576,485	101,567,979
1,508,308	1,053,409	918,979
524,921	940,105	19,563,560
(649,095)	(2,328,131)	(19,683,560)
(124,174)	(1,388,026)	(120,000)
1,384,134	(334,617)	798,979
878,770	10,417,632	25,985,274
<u> </u>	481,993	481,993
878,770	10,899,625	26,467,267
		5,702
\$ 2,262,904	\$ 10,565,008	\$ 27,271,948

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2010

798,979

Net Change in Fund Balances - Total Governmental Funds

•	
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Expenditures for capital outlay Contributed assets	9,437,875
Other adjustments less cumulative effect of change in accounting principle	17,411 (89,944)
Depreciation expense	(7,332,160)
Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. This is the cost of	
the capital assets disposed. There were no significant proceeds.	(51,343)
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	
Principal retirements	230,993
Other adjustments	(3,531)
Amortization of bond issue costs	(3,798)
Some revenues reported in the statement of activities will not be collected for several months after the County's year end and do not provide current financial resources and therefore are not reported as revenues in the governmental funds.	
Change in accounts receivable	6,651,116
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.	
Change in accounts payable	1,160,817
Change in deferred revenue	(2,229)
Change in compensated absences Change in net OPEB obligation	162,725 (2,905,627)
Change in inventory reserve	5,702
Internal service funds are used by management to charge the cost of certain activities, such as	
insurance and equipment maintenance and operations, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.	104,759
Change in Net Assets of Governmental Activities	\$ 8,181,745



# STATEMENT OF NET ASSETS PROPRIETARY FUNDS JUNE 30, 2010

Business-Type A	ctivities - Enterprise Funds	
		١

	STAGE	Sanitation	Aviation	Totals
<u>ASSETS</u>				
Current Assets:				
Cash and investments	\$ 1,171,231	\$ 2,889,745	\$ 96,412	\$ 4,157,388
Accounts receivable	125,574	3,934,253	225	4,060,052
Interest receivable	1,307	10,400	268	11,975
Due from other funds	79,684	-	-	79,684
Inventory	53,762		-	53,762
Total Current Assets	1,431,558	6,834,398	96,905	8,362,861
Noncurrent Assets:				
Restricted cash	-	635,225	-	635,225
Capital assets:				
Non-depreciable	-	256,913	321,533	578,446
Depreciable, net	1,755,543	186,653	4,154,269	6,096,465
Total capital assets	1,755,543	443,566	4,475,802	6,674,911
Total Noncurrent Assets	1,755,543	1,078,791	4,475,802	7,310,136
Total Assets	3,187,101	7,913,189	4,572,707	15,672,997
LIABILITIES				
Current Liabilities:				
Accounts payable	327,744	80,323	19,702	427,769
Accrued salaries and benefits	51,474	19,652		71,126
Interest payable		24,392	-	24,392
Due to other funds	_	-	36,956	36,956
Unearned revenue	_	3,850,000	-	3,850,000
Compensated absences payable	20,020	10,753	-	30,773
Loan payable	-	85,357	-	85,357
Closure/postclosure liability	-	111,469	-	111,469
Estimated claims liability				
Total Current Liabilities	399,238	4,181,946	56,658	4,637,842
Noncurrent Liabilities:				
Compensated absences payable	15,983	37,440	-	53.423
Loan payable	-	1,796,537	-	1,796,537
Closure/postclosure liability	_	11,741,938	-	11,741,938
Net OPEB obligation	141,555	49,057		190,612
Total Noncurrent Liabilities	157,538	13,624,972		13,782,510
Total Liabilities	556,776	17,806,918	56.658	18,420,352
NET ASSETS	4 755 5 10	440 555	4 475 000	0.074.04:
Invested in capital assets, net of related debt	1,755,543	443,566	4,475,802	6,674,911
Unrestricted	874,782	(10,337,295)	40,247	(9,422,266)
Total Net Assets	\$ 2,630,325	\$ (9,893,729)	\$ 4,516,049	\$ (2,747,355)

vernmental Activities
Internal Service Funds
\$ 1,587,393 116,088 4,977
 34,884
 1,743,342
-
 19,045 19,045
 19,045
 1,762,387
84,402 14,423 3,399 904,148 - 8,521
-
 75,998
 1,090,891
7,254 -
18,493
25,747
1,116,638
40.045
 19,045 626,704
\$ 645,749

# STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS PROPRIETARY FUNDS FOR THE YEAR ENDED JUNE 30, 2010

**Business-Type Activities - Enterprise Funds** 

	STAGE	Sanitation	Aviation	Totals
OPERATING REVENUES	\$ 209.374	Ф 0.450.400	ф 4.00 <b>г</b>	¢ 0.004.404
Charges for services Other revenues	\$ 209,374 209,235	\$ 2,150,462	\$ 1,285 121	\$ 2,361,121 209,356
G.1.01 10 10 10 10 10 10 10 10 10 10 10 10 1				
Total Operating Revenues	418,609	2,150,462	1,406	2,570,477
OPERATING EXPENSES				
Salaries and benefits	1,081,776	439,644	-	1,521,420
Services and supplies	546,443	1,774,998	128,198	2,449,639
Depreciation	263,889	30,170	767,047	1,061,106
Total Operating Expenses	1,892,108	2,244,812	895,245	5,032,165
Operating Income (Loss)	(1,473,499)	(94,350)	(893,839)	(2,461,688)
NON-OPERATING REVENUE (EXPENSES)				
Interest income	24.527	57,993	107,245	189,765
Intergovernmental	2,325,353	289,585	5,842	2,620,780
Interest expense		(59,896)		(59,896)
Total Non-Operating Revenue (Expenses)	2,349,880	287,682	113,087	2,750,649
Income (Loss) Before Contributions and Transfers	876,381	193,332	(780,752)	288,961
Capital contribution	-	-	-	_
Transfers in	-	9,048	-	9,048
Transfers out		(9,048)		(9,048)
Change in Net Assets	876,381	193,332	(780,752)	288,961
Total Net Assets - Beginning	1,753,944	(10,087,061)	5,296,801	(3,036,316)
Total Net Assets - Ending	\$ 2,630,325	\$ (9,893,729)	\$ 4,516,049	\$ (2,747,355)

 Governmental Activities Internal Service Funds		
\$ 1,296,783 764,550		
 2,061,333		
 281,627 1,793,949 2,557		
 2,078,133		
 (16,800)		
 (4,852) - -		
(4,852)		
(21,652)		
 6,411 120,000 -		
104,759		
 540,990		
\$ 645,749		

# STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE YEAR ENDED JUNE 30, 2010

	Business-Type Activities - Enterprise Funds			
	STAGE	Sanitation	Aviation	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 305,585	\$ 2,141,751	\$ 1,216	\$ 2,448,552
Payments to suppliers	(247,804)	(1,079,088)	(127,305)	(1,454,197)
Payments to employees	(1,002,298)	(391,350)		(1,393,648)
Net Cash Provided (Used) by Operating Activities	(944,517)	671,313	(126,089)	(399,293)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Taxes received	-	6,584	-	6,584
Intergovernmental revenue received	2,325,353	289,585	5,842	2,620,780
Transfers from other funds	-	9,048	-	9,048
Transfers to other funds	-	(9,048)	-	(9,048)
Interfund loans received	- (44.007)	1,883	36,956	38,839
Interfund loans made	(11,227)	(26,142)		(37,369)
Net Cash Provided (Used) by Noncapital				
Financing Activities	2,314,126	271,910	42,798	2,628,834
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIV		(00 607)	(60.404)	(404.246)
Purchase of capital assets Principal paid on capital debt	(348,518)	(80,697) (83,599)	(62,131)	(491,346) (83,599)
Interest paid on capital debt	-	(60,625)	-	(60,625)
interest paid on capital debt		(00,023)		(00,020)
Net Cash Provided (Used) by Capital and Related				
Financing Activities	(348,518)	(224,921)	(62,131)	(635,570)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends	24,968	63,497	107,896	196,361
Net Cash Provided (Used) by Investing Activities	24,968	63,497	107,896	196,361
· , , , •	· · · · · · · · · · · · · · · · · · ·	· · ·	· · · · · · · · · · · · · · · · · · ·	
Net Increase (Decrease) in Cash and Cash Equivalents	1,046,059	781,799	(37,526)	1,790,332
Balances - Beginning of year	125,172	2,743,171	133,938	3,002,281
Balances - End of year	\$ 1,171,231	\$ 3,524,970	\$ 96,412	\$ 4,792,613
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET				
CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ (1,473,499)	\$ (94,350)	\$ (893,839)	\$ (2,461,688)
Adjustments to reconcile operating income to net cash	,	, ,	, ,	,
provided by operating activities:				
Depreciation	263,889	30,170	767,047	1,061,106
Decrease (increase) in:				
Accounts receivable	(113,024)	166,289	(190)	53,075
Inventory	(8,754)	-	-	(8,754)
Increase (decrease) in: Accounts payable	307,394	19,094	893	327,381
Accounts payable Accrued salaries and benefits	4,749	2,630	-	7,379
Unearned revenue	4,743	(175,000)	-	(175,000)
Closure/Postclosure liability	-	676,816	-	676,816
Compensated absences payable	(173)	19,410	-	19,237
Estimated claims liability	-	-	-	· -
Net OPEB obligation	74,901	26,254		101,155
	_	_		_

The notes to the basic financial statements are an integral part of this statement.

671,313 \$ (126,089) \$ (399,293)

Net Cash Provided (Used) by Operating Activities

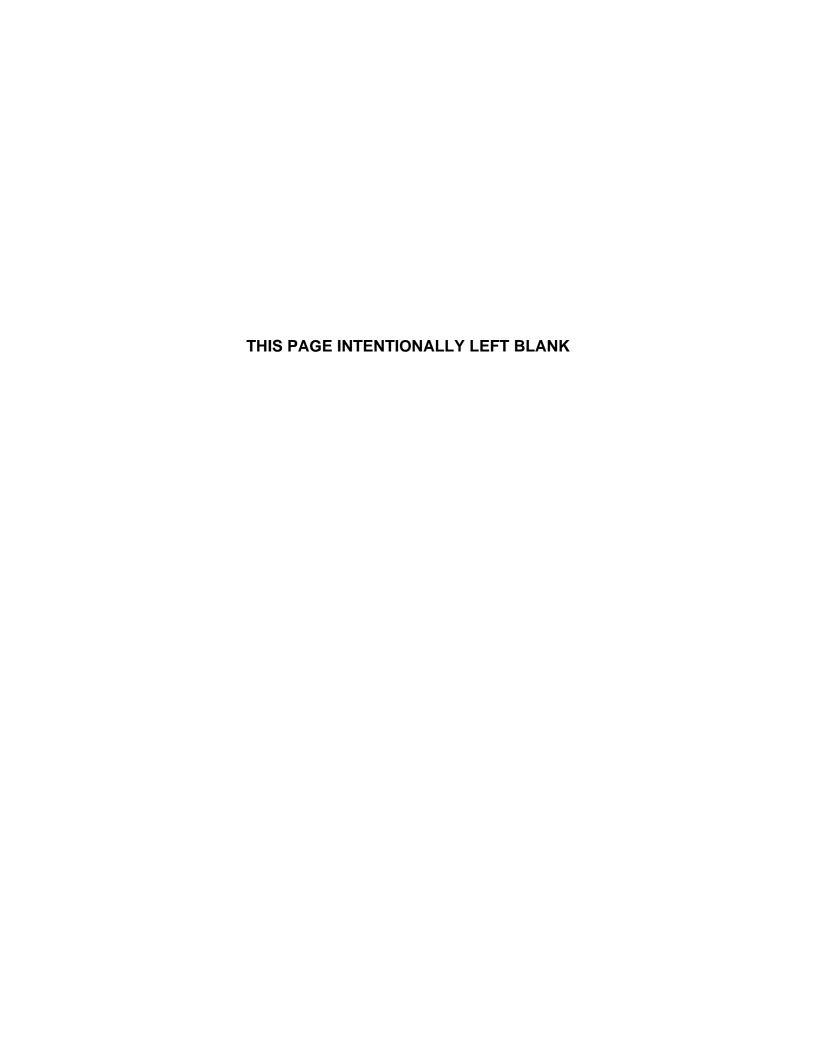
overnmental Activities Internal Service Funds
\$ 2,075,167 (1,769,972) (270,691)
34,504
120,000 20,086 3,267
143,353
- - -
<u>-</u>
(4,077)
(4,077) 173,780
1,413,613
\$ 1,587,393
\$ (16,800)
2,557
13,834 (10,841)
(29,480) 1,239
(1,657) 64,298 11,354

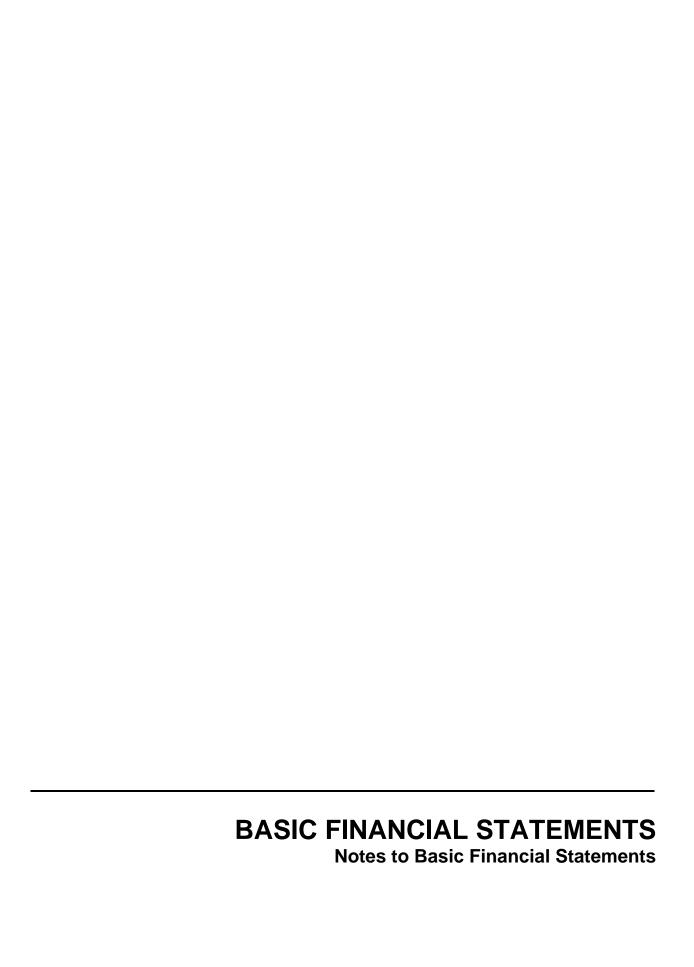
# STATEMENT OF FIDUCIARY NET ASSETS FIDUCIARY FUNDS JUNE 30, 2010

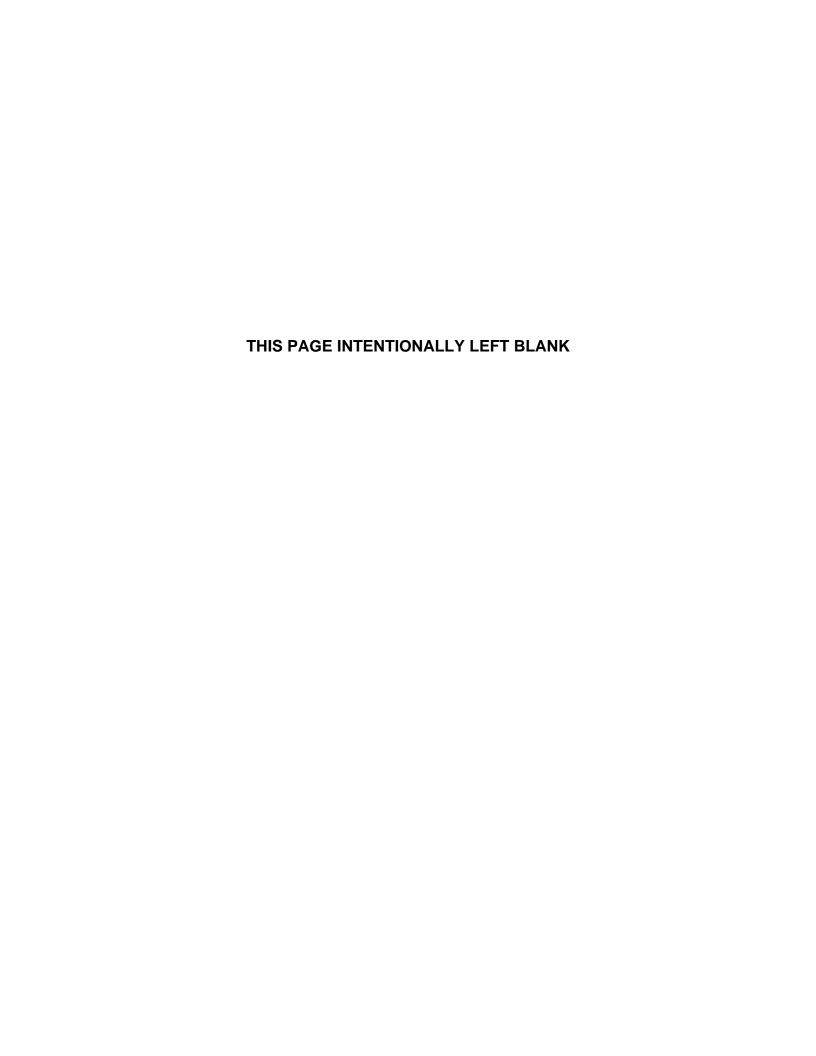
	Investment Trust Funds	Agency Funds
ASSETS Cash and investments	\$ 34,586,547	\$ 2,212,720
Taxes receivable	·	3,965,102
Due from other funds		3,426,038
Total Assets	34,586,547	9,603,860
LIABILITIES		
Due to other funds	-	3,426,038
Agency obligations	<del>-</del> _	6,177,822
Total Liabilities		9,603,860
NET ASSETS	• • • • • • • • • • • • • • • • • • • •	
Net assets held in trust for pool participants	\$ 34,586,547	\$ -

# STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS FIDUCIARY FUNDS FOR THE YEAR ENDED JUNE 30, 2010

	Investment Trust Funds
ADDITIONS Contributions: Contributions to investment pool	\$ 5,992,706
Total Additions	5,992,706
DEDUCTIONS Distributions from investment pool	7,138,065
Total Deductions	7,138,065
Change in Net Assets	(1,145,359)
Net Assets - Beginning	35,731,906
Net Assets - Ending	\$ 34,586,547







# NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

#### NOTE 1: FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### **A. Reporting Entity**

The County operates under an Administrator-Board of Supervisors form of government and provides various services on a countywide basis including law and justice, education, detention, social, health, fire protection, road construction, road maintenance, transportation, park and recreation facilities, elections and records, communications, planning, zoning, and tax collection.

The accounting methods and procedures adopted by the County conform to generally accepted accounting principles as applied to governmental entities. These financial statements present the government and its component units, entities for which the government is considered to be financially accountable under the criteria set by Governmental Accounting Standards Board (GASB) Statement No. 14.

The governmental reporting entity consists of the County (Primary Government) and its component units. Component units are legally separate organizations for which the Board of Supervisors is financially accountable or other organizations whose component units nature and significant relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and (i) either the County's ability to impose its will on the organization or (ii) there is potential for the organization to provide a financial benefit to or impose a financial burden on the County.

Reporting for component units on the County's financial statements can be blended or discretely presented. Blended component units are, although legally separate entities, in substance part of the County's operations and, therefore, data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, would be reported in a separate column in the government-wide financial statements to emphasize it is legally separate from the government.

For financial purposes, the County's basic financial statements include all financial activities that are controlled by or are dependent upon actions taken by the County's Board. The financial statements of the individual component units may be obtained by writing to the County of Siskiyou Auditor-Controller's Office, P.O. Box 8, Yreka, CA 96097.

Component units that are blended into the reporting activity types of the County's report are presented below:

#### **California Children and Families First**

The California Children and Families First Commission was established by California Health and Safety Code 130100 and funding is delineated under Revenue and Taxation Code 301312 which is a surtax placed on cigarettes. The Board of Supervisors appoints the Board of Commissioners, and also occupy a majority of commissioner positions. Therefore, the activities of the Commission are blended with the primary government.

#### Flood Control and Water Conservation District

The Flood Control and Water Conservation District was established to provide for flood control and water conservation in the County. The District's Board of Directors is composed of the same members as the County's Board of Supervisors. Therefore, the activities of the District are blended with the primary government.

#### **Air Pollution Control District**

The Air Pollution Control District was established to provide better air quality to residents. The District's Board of Directors is composed of the same members as the County's Board of Supervisors. Therefore, the activities of the District are blended with the primary government.

#### **Local Transportation Administration**

The Local Transportation Administration was established to provide local transportation services to County residents. The Board of Supervisors appoints the Administration's Board and also occupy two positions. Therefore, the activities of the Administration are blended with the primary government.

# NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

# NOTE 1: FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### A. Reporting Entity (Continued)

#### **Regional Transportation Planning**

The Regional Transportation Planning was established to provide regional transportation planning to County residents. The District's Board of Directors is composed of the same members as the County's Board of Supervisors. Therefore, the activities of the entity are blended with the primary government.

#### County Service Areas #3, #4 and #5

These County Service Areas were established to provide County services. The District's Board of Directors is composed of the same members as the County's Board of Supervisors. Therefore, the activities of the Districts are blended with the primary government.

#### **Hammond Ranch Fire Zone**

The Hammond Ranch Fire Zone was established to provide fire protection to Hammond Ranch residents. The District's Board of Directors is composed of the same members as the County's Board of Supervisors. Therefore, the activities of the District are blended with the primary government.

#### **McCloud Fire Zone**

The McCloud Fire Zone was established to provide fire protection to McCloud residents. The District's Board of Directors is composed of the same members as the County's Board of Supervisors. Therefore, the activities of the District are blended with the primary government.

#### **Mount Shasta Vista Fire Zone**

The Mount Shasta Vista Fire Zone was established to provide fire protection to Mount Shasta Vista residents. The District's Board of Directors is composed of the same members as the County's Board of Supervisors. Therefore, the activities of the District are blended with the primary government.

#### **Pleasant Valley Fire Zone**

The Pleasant Valley Fire Zone was established to provide fire protection to Pleasant Valley residents. The District's Board of Directors is composed of the same members as the County's Board of Supervisors. Therefore, the activities of the District are blended with the primary government.

#### **B. Basis of Presentation**

#### **Government-Wide Financial Statements**

The statement of net assets and statement of activities display information on all of the nonfiduciary activities of the County, and its blended component units. These statements include the financial activities of the overall government except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the County. Governmental activities, which are normally supported by taxes and inter-governmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.

# NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

# NOTE 1: FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### **B.** Basis of Presentation (Continued)

#### **Government-Wide Financial Statements (Continued)**

The statement of activities presents a comparison between direct expenses and program revenues for each different identifiable activity of the County's business-type activities and each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and; therefore, are clearly identifiable to a particular function. Certain indirect costs, which cannot be identified and broken down, are included in the program expense reported for individual functions and activities. Program revenues include (1) charges paid by the recipients of goods and services offered by the program, (2) operating grants and contributions, and (3) capital grants and contributions. Taxes and other items not properly included among program revenues are presented instead as general revenues.

#### **Fund Financial Statements**

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the County or meets the following criteria:

- Total assets, liabilities, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- Total assets, liabilities, revenues or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The County reports the following major governmental funds:

- The General Fund is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the County that are not accounted for through other funds. For the County, the General Fund includes such activities as public protection, public ways and facilities, health and welfare, public assistance, education, and recreation services.
- The Road Fund is a special revenue fund used to account for revenues and expenditures for streets and road expansion.
- The Human Services Fund is a special revenue fund used to account for revenues and expenditures for social welfare.
- The Public Health Fund is a special revenue fund used to account for revenues and expenditures for public health services.
- Behavioral Health Services Fund is a special revenue fund used to account for revenues and expenditures for behavioral health programs.

The County reports the following major proprietary funds:

- The STAGE Fund is an enterprise fund used to account for activity related to providing county residents with public transportation services.
- The Sanitation Fund is an enterprise fund used to account for activity related to providing customers with sanitation facilities and services.
- The Aviation Fund is an enterprise fund used to account for activity related to providing customers with airport facilities and services.

# NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

# NOTE 1: FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### B. Basis of Presentation (Continued)

#### **Fund Financial Statements (Continued)**

The County reports the following additional fund types:

- Internal Service Funds account for the County's fleet maintenance, communications, self lease, and self
  insurance programs which provide services to other departments on a cost reimbursement basis.
- The Investment Trust Funds account for the assets of legally separate entities that deposit cash with the County Treasurer. The assets of these funds are held in trust for other agencies and are part of the County's external pool. The external investment pool is made up of five separate funds; Special Districts Governed by Local Boards, School Districts, Debt Service Funds, College Funds, and Trial Court and PSA II. These funds account for assets, primarily cash and investments, in the County's investment pool, owned by legally separate entities such as school and community colleges, special districts governed by local boards, regional boards and authorities, and pass through funds for tax collections for cities. The County is obligated to disburse monies from the funds on demand.
- Agency funds account for the receipt and disbursement of various taxes, deposits, deductions, and property
  collected by the County, acting in the capacity of an agent for distribution to other governmental units or other
  organizations. The agency funds maintained by the County include two separate components.

Accrued Trust Funds - Accounts for property tax receipts awaiting apportionment to other local governmental agencies and investment earnings awaiting apportionment to other local government agencies.

County Departmental Agency - Accounts for all assets under the control of County departments which are held in a fiduciary capacity.

#### C. Basis of Accounting and Measurement Focus

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property and sales tax, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from sales tax are recognized when the underlying transactions take place. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Private sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide financial statements for the business-type activities and the proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board (GASB). Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise fund, subject to the same limitation. The County has elected not to follow subsequent private-sector guidance.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. The County considers revenues reported in the governmental funds to be available if they are collected within forty-five days after the end of the current fiscal year. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to claims and judgments are recorded only when payment is due. Governmental capital assets acquisitions are reported as expenditures in the various functions of the governmental funds. Proceeds of governmental long-term debt and acquisitions under capital leases are reported as other financing sources.

# NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

# NOTE 1: FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### C. Basis of Accounting and Measurement Focus (Continued)

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise and internal service funds are charges to customers for sales and services. Operating expenses for enterprise and internal service funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Fiduciary funds include trust funds and agency funds. All trust funds are reported using the economic measurement focus and the accrual basis of accounting. Agency funds are reported using the accrual basis of accounting to recognize receivables and payables.

#### D. Cash and Cash Equivalents

For purposes of the accompanying statement of cash flows, the County considers all highly liquid investments with a maturity of three months or less when purchased, and their equity in the County Treasurer's investment pool, to be cash equivalents.

#### E. Cash and Investments

The County sponsors an investment pool that is managed by the County Treasurer. The Treasurer invests on behalf of most funds of the County and external participants in accordance with the California State Government Code and the County's investment policy. State statutes authorize the County to invest its cash surplus in obligations of the U.S. Treasury, agencies and instrumentalities, corporate bonds, medium term notes, bankers' acceptances, certificates of deposit, commercial paper, repurchase agreements, and the State of California Local Agency Investment Fund. Income from pooled investments is allocated to the individual funds or external participants based on the fund or participant's average daily cash balance at quarter end in relation to the total pool investments. Interest income earned in agency funds where there are no interest earnings requirements are assigned to the General Fund per County Policy. Income from non-pooled investments is recorded based on the specific investments held by the fund. The interest income is recorded in the fund that earned the interest.

Investment transactions are recorded on the trade date. Investments are reported at fair value (or cost if it approximates fair value) which is determined using selected bases annually. The fair value represents the amount the County could reasonably expect to receive for an investment in a current sale between a willing buyer and seller. Short term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Corporate notes are valued by the safekeeping institution and by the County brokerage firm. Cash deposits are reported at carrying amount which reasonably estimates fair value. Managed funds not listed on an established market are reported at the estimated fair value as determined by the respective fund managers based on quoted sales prices of the underlying securities.

Participant's equity in the investment pool is determined by the dollar amount of participant deposits, adjusted for withdrawals and distributed investment income. Investment income is determined on an amortized cost basis. Amortized premiums and accreted discounts, accrued interest, and realized gains and losses, net of expenses, are apportioned to pool participants every quarter. This method differs from the fair value method used to value investments in these financial statements, as unrealized gains or losses are not apportioned to pool participants. During the fiscal year ended June 30, 2010, the County Treasurer has not entered into any legally binding guarantees to support the value of participant equity in the investment pool.

#### F. Receivables

In the government-wide and proprietary fund financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include taxes, grants, and interest. Business-type activities report user fees and interest earnings as their major receivables.

# NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

# NOTE 1: FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### F. Receivables (Continued)

In the fund financial statements, material receivables in governmental funds include revenue accruals such as taxes, grants, interest, and other similar intergovernmental revenues since they are usually both measurable and available. Nonexchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis.

#### **G. Interfund Transactions**

Interfund transactions are reflected as either loans, services provided or used, reimbursements or transfers.

Loans reported as receivables and payables are referred to as either "due to/from other funds" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans) as appropriate and are subject to elimination upon consolidation. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances". Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not available financial resources.

Services provided or used, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. These services provide information on the net cost of each government function and therefore are not eliminated in the process of preparing the government-wide statement of activities.

Reimbursements occur when the funds responsible for particular expenditures or expenses repay the funds that initially paid for them. Such reimbursements are treated as an adjustment to expenditures or expenses; that is, a corresponding increase in expenditures or expenses in the reimbursing fund and a corresponding decrease in expenditures or expenses in the reimbursed fund.

All other interfund transactions are treated as transfers. Transfers between governmental and proprietary funds are netted as part of the reconciliation to the government-wide presentation.

See Note 3 for details of interfund transactions, including receivables and payables at year end.

#### **H. Inventory and Prepaid Costs**

Inventories are stated at cost (first-in, first-out basis) for governmental funds and proprietary funds. Inventory recorded by governmental funds includes postage and materials and supplies for roads. Governmental fund inventories are recorded as expenditures at the time the inventory is consumed. Inventory recorded by proprietary funds include supplies for internal service funds. Proprietary fund inventories are recorded as expenses at the time the inventory is consumed.

Certain payments to vendors reflect costs applicable to future accounting periods are recorded as prepaid costs.

#### I. Loans Receivable

For the purpose of the fund financial statements, special revenue fund expenditures relating to long-term loans receivable arising from mortgage subsidy programs are charged to operations upon funding and the loans receivable are recorded. The balance of the long-term loans receivable includes loans that may be forgiven if certain terms and conditions of the loans are met.

#### J. Capital Assets

The accounting treatment over property, plant, equipment, and infrastructure (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

# NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

# NOTE 1: FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### J. Capital Assets (Continued)

#### **Government-Wide Financial Statements**

In the government-wide financial statements, property, plant, equipment, and infrastructure are accounted for as capital assets in the Governmental or Business-type activities column. Capital assets which include, property, plant, equipment, and infrastructure assets (roads, bridges, sidewalks and similar items) are defined by the County as an asset with a cost greater than \$2,500 and a useful life of more than five years. Such assets are recorded at historical or estimated historical cost. Contributed capital assets are recorded at estimated fair market value at the date of donation.

Infrastructure assets, including bridges and roads, have been stated at estimated historical cost. Estimated historical cost for bridges was arrived at by developing a listing of all bridges within the County. Using the year constructed, width, and length of the bridges, the estimated historical cost was calculated. Estimated historical cost for roads was arrived at by developing a list of all roads located within the County. Each road was identified by type, paved/flat, paved/hillside, and graveled. The current cost assigned to each road was factored back to the year of construction using the federal-aid highway construction factors to arrive at an estimated historical cost for each road. Contributed capital assets are recorded at estimated fair market value at the date of donation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Depreciable Asset	Estimated Lives
Equipment	3-25 years
Structures and improvements	5-50 years
Infrastructure	20-75 years

Maintenance and repairs are charged to operations when incurred. Betterments and major improvements which significantly increase values, change capacities or extend useful lives are capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

#### **Fund Financial Statements**

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide financial statements.

#### K. Unearned Revenue/Deferred Revenue

Unearned revenue is recorded for assets recognized in connection with a transaction before the earnings process is complete. Those assets are offset by a corresponding liability for unearned revenue. In addition, loans receivable for which repayment is deferred or for which the balance may be forgiven if certain terms and conditions of the loans are met have also been offset by unearned revenue.

Deferred revenue is recorded under the modified accrual basis of accounting when revenue which has been earned during the current period has met the measurable criteria but has not met the available criteria.

See Note 3 for details of unearned/deferred revenues at year end.

#### L. Long-Term Debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the government-wide financial statements. The long-term debt consists primarily of loans, capital leases, closure/post-closure liability, accrued compensated absences, bonds, and OPEB obligation.

# NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

# NOTE 1: FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### L. Long-Term Debt (Continued)

Long-term debt for governmental funds is not reported as a liability in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. Long-term debt associated with proprietary fund operations is accounted for the same as in the government-wide statements.

#### M. Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation leave. In the government-wide financial statements, the accrued compensated absences is recorded as an expense and related liability, with the current portion estimated based on historical trends. In the governmental fund financial statements, the expenditures and liabilities related to those obligations are recognized only when they mature. In the proprietary funds the accrued compensated absences is recorded as an expense and related liability in the year earned. The County includes its share of social security and medicare taxes payable on behalf of the employees in the accrual for compensated absences.

#### N. Other Postemployment Benefits (OPEB)

The County of Siskiyou sponsors, under a defined benefit plan, a retiree healthcare plan to qualifying employees retiring directly from the County. The benefit level is determined by date of hire, length of service and bargaining unit. The County has contracted for medical coverage to be provided through an agent multiple-employer CalPERS Healthcare (PEMHCA) plan.

#### O. Net Assets

The government-wide and proprietary fund financial statements utilize a net assets presentation. Net assets are categorized as invested in capital assets (net of related debt), restricted, and unrestricted.

- Invested in capital assets, net of related debt Consists of capital assets including restricted capital assets, net
  of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other
  borrowings that are attributable to the acquisition, construction or improvement of those assets.
- Restricted net assets Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. These principally include restrictions for capital projects, debt service requirements and other special revenue fund purposes.
- Unrestricted net assets All other net assets that do not meet the definition of "restricted" or "invested in capital
  assets, net of related debt."

#### P. Fund Balances

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of June 30, 2010, fund balance for governmental funds are made up of the following:

- Nonspendable fund balance includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts, and long-term notes receivable.
- Restricted fund balance includes amounts that can be spent for specific purposes stipulated by external
  resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or
  lifted only with the consent of resource providers.

# NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

# NOTE 1: FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### P. Fund Balances (Continued)

- Committed fund balance includes amounts that can only be used for the specific purposes determined by a formal action of the County's highest level of decision-making authority, the County's Board of Supervisors. Commitments may be changed or lifted only by the County taking the same formal action that imposed the constraint originally (for example: resolution and ordinance).
- Assigned fund balance comprises amounts intended to be used by the County for specific purposes that are
  neither restricted nor committed. Intent is expressed by (1) the County's Board of Supervisors or (b) a body (for
  example: a budget or finance committee) or official to which the County's Board of Supervisors has delegated
  the authority to assign amounts to be used for specific purposes.
- Unassigned fund balance is the residual classification for the General Fund and includes all amounts not
  contained in the other classifications. Unassigned amounts are technically available for any purpose. In other
  governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed,
  or assigned to those purposes, that fund would report a negative unassigned fund balance.

The fund balances for all major and nonmajor governmental funds as of June 30, 2010, were distributed as follows:

	General Fund	Road	Human Services	Public Health	Behavioral Health Services	Nonmajor Funds	Total
Nonspendable: Inventory	\$ 73,279	\$ 771,672	\$ -	\$ -	s -	\$ -	\$ 844,951
Subtotal	73,279	771,672	<del>-</del>	<del>-</del>	_		844,951
Restricted for:	10,210						011,001
General government Public protection Health and welfare Public assistance Public ways and facilities	8,371 944,833 - -	- - - - 1,833,141	- - 10,235 -	- - 495,757 - -	2,251,604 - -	1,550,370 1,031,132 925,222 963,099 6,410,473	1,588,741 1,975,965 3,672,583 973,334 8,243,614
Subtotal	953,204	1,833,141	10,235	495,757	2,251,604	10,880,296	16,424,237
Committed to: General government Public Protection Health and welfare Public assistance Education Culture and recreation Public ways and facilities	113,950 63,178 - 425 10,941	139,588	50,411 - - - -	2,500	11,300	89,938 312 - 14,843 -	113,950 153,116 14,112 50,411 15,268 10,941 139,588
Subtotal	188,494	139,588	50,411	2,500	11,300	105,093	497,386
Assigned to: Public protection Public assistance Public ways and facilities	- - -	- - 11,364,958	- - -	- - -	- - -	269,379 27,683 35,612	269,379 27,683 _11,400,570
Subtotal		11,364,958	<u>-</u>			332,674	11,697,632
Unassigned	(_1,295,961)		(143,242)			(753,055)	(_2,192,258)
Total	( <u>\$ 80,984</u> )	\$ 14,109,359	(\$ 82,596)	\$ 498,257	\$ 2,262,904	\$10,565,008	\$27,271,948

# NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

# NOTE 1: FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### P. Fund Balances (Continued)

The Board of Supervisors has not established fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund. Assigned fund balance is established by the Board of Supervisors through adoption or amendment of the budget as intended for specific purpose (such as the purchase of capital assets, construction, debt service, or for other purposes).

The County has not adopted a policy regarding whether it considers restricted or unrestricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available. In accordance with GASB 54 since the County has not adopted a policy committed funds would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which unrestricted fund balance is available.

#### Q. Property Tax

The State of California's (State) Constitution Article XIIIA provides that the combined maximum property tax rate on any given property may not exceed 1 percent of its assessed value unless an additional amount for general obligation debt has been approved by voters. Assessed value is calculated at 100 percent of market value, as defined by Article XIIIA, and may be adjusted by no more than 2 percent per year unless the property is sold or transferred. The State Legislature has determined the method of distribution of receipts from a 1 percent tax levy among the County, cities, school districts, and other districts.

The County of Siskiyou is responsible for assessing collecting, and distributing property taxes in accordance with State law. Property taxes are levied on both secured (real property) and unsecured (personal property other than land an buildings) property. Supplemental property taxes are assessed upon transfer of ownership in property or completion of new construction.

The County of Siskiyou assesses properties and bills for and collects property taxes as follows:

	Secured	Unsecured
Valuation/lien dates	January 1	January 1
Levy dates	January 1	January 1
Due Dates	November 1 (1 <sup>st*</sup> installment) February 1 (2 <sup>nd</sup> installment)	July 1
Delinquent dates	December 10 (1st installment) April 10 (2nd installment)	August 31

On the government-wide financial statements, property tax revenues are recognized in the fiscal year for which they are levied. On the fund financial statements property tax revenues are recognized in the fiscal year for which they are levied provided they are due and collected within sixty days after fiscal year end.

The County of Siskiyou apportions secured property tax revenue in accordance with the alternate methods of distribution, the "Teeter Plan", as prescribed by Section 4717 of the California Revenue and Taxation code. Under the Teeter Plan, penalties and interest collected on delinquent secured taxes are required to be held in trust in the Tax Loss Reserve Fund (TLRF). The primary purpose of TLRF is to cover losses that may occur as a result of special sales of tax-defaulted property.

The County is legally required to maintain a minimum balance of 1 percent of the annual taxes levied on properties participating in the Teeter Plan. The balance in the TLRF was \$435,792 at June 30, 2010. The County's management believes that any ownership rights to the TLRF the County may have are effective only upon an Auditor-Controller approved transfer or to the extent of losses related to the sale of tax defaulted property. Amounts in the TLRF are considered to be held in a custodial capacity for the participants in the County's apportionment methodology and accounted for in an agency fund.

# NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

# NOTE 1: FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### **R. Grant Revenues**

Certain grant revenues are recognized when specific related expenditures have been incurred. In other grant programs, monies are virtually unrestricted as to purpose of expenditure and are only revocable for failure to comply with prescribed compliance requirements. These revenues are recognized at the time of receipt, or earlier if susceptible to accrual criteria is met. Cash received prior to incurrence of the related expenditure is recorded as unearned revenue.

#### S. Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

Government Funds – By Character Current (further classified by function) Debt Service Capital Outlay

Proprietary Fund - By Operating and Nonoperating

#### T. Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

#### A. Restatement of Fund Balances/Net Assets

Adjustments resulting from errors or a change to comply with the provisions of the accounting standards are treated as adjustments to prior periods. Accordingly, the County reports these changes as restatements of beginning net assets.

During the current year adjustments to net assets were required to correct prior year misstatement of full accrual accounts payable. The accounts payable adjustment in governmental activities was due to an evaluation of Medi-Cal settlement liabilities, representing payments received by the County from the State in excess of what was earned. These overpayments are a liability that will be deducted from future payments by the State. Also during the current year adjustments were required to correct prior year misstatement of loans receivable.

GASB Statement No. 51, Accounting and Financial Reporting for Intangible Assets, was implemented. The County recorded a cumulative effect of change in accounting principle for the net amount of the software acquired prior to July 1, 2009.

The impact of the restatements on the net assets on the government-wide financial statements as previously reported is presented below:

	G 	overnmental Activities
Net Assets, June 30, 2009, as previously reported	\$	96,159,641
Adjustment associated with: Correction of accounts payable Correction of loans receivables Cumulative effect of change in accounting principle	(	8,291,000) 481,993 1,578,513
Total Adjustments	(	6,230,494)
Net Assets, July 1, 2009, as restated	\$	89,929,147

# NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

#### NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

#### A. Restatement of Fund Balances/Net Assets (Continued)

The impact of the restatements on the fund balance on the governmental funds financial statements as previously reported is presented below:

	Other Governmental <u>Funds</u>
Fund Balance as of June 30, 2009, as previously reported	\$ 10,417,632
Adjustment associated with: Correction of loans receivable	481,993
Total Adjustments	481,993
Fund Balance, July 1, 2009, as restated	\$ 10,899,625

#### B. Deficit Fund Balance/Net Assets

The following major governmental funds had deficit fund balances:

The General fund had a fund balance deficit of \$80,984, which is expected to be eliminated in the future through cost containment and future reimbursements.

The Human Services fund had a fund balance deficit of \$82,596, which is expected to be eliminated in the future through cost containment and future reimbursements.

The following nonmajor governmental funds had deficit fund balances:

The Inmate Health Program fund had a deficit fund balance of \$24,737, which is expected to be eliminated in the future through cost containment and future reimbursements.

The EDEF Grants fund had a fund balance deficit of \$131,953, which is expected to be eliminated in future years through more timely receipt of grant funding reimbursements.

The Lake Siskiyou Trail Project fund had a fund balance deficit of \$70,325, which is expected to be eliminated through timely receipt of grant funding reimbursement.

The Wagon Creek Bridge ARRA fund had a fund balance deficit of \$525,395, which is expected to be eliminated through timely receipt of grant funding reimbursement.

The following major enterprise fund had deficit net assets:

The Sanitation fund had a net asset deficit of \$9,893,729, which is expected to be eliminated in future years through increased user charges and retirement of closure/post closure liability.

The following internal service funds had deficit net asset balances:

The Fuel Services fund had a net asset deficit of \$153,503, which is expected to be eliminated in the future through increased cost allocations.

The Liability fund had a net asset deficit of \$607,943, which is expected to be eliminated in the future through increased cost allocations.

The Unemployment fund had a net asset deficit of \$193,918, which is expected to be eliminated in the future through increased cost allocations.

# NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

#### NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

#### C. Rebatable Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years. The County does not expect to incur a liability for rebatable arbitrage.

#### **D. Gann Spending Limitation**

Under Article XIIIB of the California Constitution (the Gann Spending Limitation), the County is restricted as to the amount of annual appropriations from proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller or returned to the taxpayers through revised tax rates, revised fee schedules or other refund arrangements.

#### E. Implementation of Governmental Accounting Standards Board Statements

#### **GASB Statement No. 51**

GASB has issued Statement No. 51, Accounting and Financial Reporting for Intangible Assets. The objective of this Statement is to establish accounting and financial reporting requirements for intangible assets to reduce prior inconsistencies in accounting for these assets. This statement requires that all intangible assets not specifically excluded by its scope provisions be classified as capital assets. This change is reported as a cumulative effect of a change in accounting principle in the amount of \$1,578,513 and is reflected as a restatement of beginning net assets invested in capital assets and an increase in capital assets in the governmental activities of the government-wide financial statements. As permitted by GASB Statement No. 51, the financial statements have not been restated for prior year costs associated with internally generated computer software or for assets such as easements which are considered to have an indefinite useful life. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2009.

#### **GASB Statement No. 54**

In February 2009, GASB released a new Statement, GASB Statement No. 54, - Fund Balance Reporting and Governmental Fund Type Definitions. The objective of this Statements is to enhance the usefulness of fund balance information by providing clearer fund balance classifications based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in the governmental funds. The initial distinction in reporting fund balance information is identifying amounts that are considered nonspendable, such as fund balance associated with inventories and prepaids. This Statements provides for additional classification as restricted balance associated with inventories and prepaids. This Statement provides for additional classification as restricted, committed, assigned and unassigned based on the relative strength of the financial statements for periods beginning after June 15, 2010. The County has elected to early implement this Statement in the current fiscal year, and the details for the fund balance classifications prescribed under this Statement are separately discussed in Note 1P.

#### **NOTE 3: DETAILED NOTES**

#### A. Cash and Investments

The County sponsors an investment pool that is managed by the County Treasurer for the purpose of increasing interest earnings through investment activities. The investment pool is not registered with the Securities and Exchange Commission as an investment company. Investments made by the Treasurer are regulated by the California Government Code and by the County's investment policy. The objectives of the policy are in order of priority, safety, liquidity, yield and public trust. The County has established a treasury oversight committee to monitor and review the management of public funds maintained in the investment pool in accordance with Article 6 Section 27131 of the California Government Code. The oversight committee and the Board of Supervisors review and approve the investment policy annually. The County Treasurer prepares and submits a comprehensive investment report to the members of the oversight committee and the investment pool participants every month. The report covers the type of investments in the pool, maturity dates, par value, actual cost and fair value.

# NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

#### NOTE 3: DETAILED NOTES (CONTINUED)

#### A. Cash and Investments (Continued)

The County sponsored investment pool includes both internal and external participants. The portion of the pool attributable to external pool participants, which are considered involuntary participants, are included in the primary government as an Investment Trust Fund which does not have separate financial reports. The State of California statutes require certain special districts and other governmental entities to maintain their cash surplus with the County Treasurer. The net assets value of involuntary participation in the investment pool totaled \$34,586,547 at June 30, 2010.

As of June 30, 2010, the County's cash and investments are reported in the financial statements as follows:

Primary government	\$ 37,231,003
Investment trust funds	34,586,547
Agency funds	2,212,720
Total Cash	\$ 74,030,270
of June 30, 2010, the County's cash and investments consisted of the following:	

As of

of June 30, 2010, the County's cash and investments consisted of the f	ollowing:
Cash: Cash on hand Deposits (less outstanding warrants)	\$ 79,539 ( <u>1,562,269</u> )
Total Cash	(1,482,730)
Investments: In Treasurer's Pool	75,513,000
Total Investments	75,513,000
Total Cash and Investments	<u>\$ 74,030,270</u>

#### Cash

At year end, the carrying amount of the County's cash deposits (including amount in checking accounts and money market accounts) was (\$1,562,269) and the bank balance was \$3,614,554. The difference between the bank balance and the carrying amount represents outstanding checks and deposits in transit.

Custodial Credit Risk For Deposits - Custodial Credit Risk is the risk that, in the event of the failure of a depository financial institution, the County will not be able to recover its deposits or collateral securities that are in the possession of an outside party. The County's investment policy requires that deposits in banks must meet the requirements of California Government Code. Under this code, deposits of more than \$250,000 must be collateralized at 105 percent to 150 percent of the value of the deposit to guarantee the safety of the public funds. The first \$250,000 of the County's deposits are insured by the Federal Deposit Insurance Corporation (FDIC). Deposits more than the \$250,000 insured amount are collateralized. The County does not have a formal investment policy that further limits its deposits.

#### Investments

As of June 30, 2010, the County had the following investments:

			Maturities			
	Interest Rates	0-1 year	_1-5 years	Over 5 years	Fair Value	Weighted Average Maturity (Years)
Investments in Investment Pool						
Government Agencies	2.620-5.75%	\$ 7,132,923	\$ 24,727,270	\$ -	\$ 31,860,193	3.10
Local Agency Investment Fund (LAIF)	Variable	39,564,930	-	-	39,564,930	-
California Asset Management Progran	า					
(CAMP)	Variable	4,087,877		<u> </u>	4,087,877	
Total Pooled Investments		50,785,730	24,727,270		75,513,000	1.31
Total Investments		\$ 50,785,730	\$ 24,727,270	\$ -	\$ 75,513,000	1.31

# NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

#### NOTE 3: DETAILED NOTES (CONTINUED)

# A. Cash and Investments (Continued)

#### **Investments (Continued)**

Interest Rate Risk - Interest rate risk is the risk of loss due to the fair value of an investment falling due to interest rates rising. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Through its investment policy, the County manages its exposure to fair value losses arising from increasing interest rates by limiting the maturity of its investments to 5 years or less unless specifically approved by the Board of Supervisors. Of the County's \$75,513,000 investment portfolio, over 67% of the investments have a maturity of one year or less. Of the remainder, none have a maturity of more than 5 years. The County's investment policy does not further limit investment maturities as a means of managing its exposure to fair value losses.

Credit Risk - Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law and County investment policy limit investments in commercial paper to the rating of A1 or better by Standards and Poor's or P1 or better by Moody's Investors Service; and corporate bonds to the rating of A or better by both Standards & Poor's and Moody's Investors Service. No limits are placed on U.S. government agency securities and U.S. securities. The County's investment policy does not further limit its investment choices.

Investment at June 30, 2010	Standard & Poor's  Rating	% of Portfolio
Federal Farm Credit Bank	AAA	17.72%
Federal Home Loan Bank	AAA	13.55%
Federal Home Loan Mortgage Corporation	AAA	4.01%
Federal National Mortgage Association	AAA	6.92%
LAIF	Unrated	52.39%
CAMP	Unrated	5.41%
Total		100.00%

Custodial Credit Risk - Custodial Credit Risk is the risk that, in the event of the failure of a depository financial institution, the County will not be able to recover its deposits or collateral securities that are in the possession of an outside party. To mitigate the custodial credit risk the County requires that all of its managed investments be held in the name of the County. The County's investment policy does not further limit the exposure to custodial credit risk.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of the County's investment in a single issuer of securities. When investments are concentrated in one issuer, this concentration presents a heightened risk of potential loss. State law restricts the County's investments in commercial paper to 40% of its investment pool and to 10% per issuer and corporate notes and negotiable certificates of deposit to 30% of its investment pool and 10% per issuer. Approximately 52% of the County's investments at year-end are in the State of California Local Agency Investment Fund (LAIF). There is no limitation on amounts invested in these types of issues and deposits.

Investment in Local Agency Investment Fund - The County of Siskiyou is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. At June 30, 2010, the County's investment position in the State of California Local Agency Investment Fund (LAIF) was \$39,564,930, which approximates fair value and is the same as the value of the pool shares. The total amount invested by all public agencies in LAIF on that day was \$69,555,776,591. Of that amount, 94.58% is invested in non-derivative financial products and 5.42% in structured notes and asset-backed securities. The value of the pool shares in LAIF is determined on an amortized cost basis, which approximates fair value. The Local Investment Advisory Board, which consists of five members designated by the State Statutes, has oversight responsibility for LAIF.

# NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

#### **NOTE 3: DETAILED NOTES (CONTINUED)**

#### A. Cash and Investments (Continued)

#### **County Investment Pool Condensed Financial Information**

A condensed statement of net assets and changes in net assets for the investment pool for the year ended June 30, 2010, follows:

	Internal Participants	External Participants	Total Pool
Statement of Net Assets			
Cash on hand	\$ 79,539	\$ -	\$ 79,539
Deposits (Less outstanding warrants) Investments	( 1,562,269) 40,926,453	34,586,547	( 1,562,269) 75,513,000
Net Assets Held for Pool Participants	\$ 39,443,723	\$ 34,586,547	\$ 74,030,270
Statement of Changes in Net Assets			
Net assets at July 1, 2009 Net changes in investments by pool participants	\$ 36,550,097 2,893,626	\$ 35,731,906 ( <u>1,145,359</u> )	\$ 72,282,003 1,748,267
Net Assets at June 30, 2010	\$ 39,443,723	\$ 34,586,547	\$ 74,030,270

#### **B. Restricted Cash and Investments**

The County reflects cash and investments held to fund closure and post-closure costs of the Yreka landfill as restricted assets of \$568,458 and to fund post closure costs of the County's twelve closed landfills as restricted assets of \$66,767 in the Sanitation enterprise fund.

In addition, the County reflects cash and investments held in safekeeping for planning deposits payable as restricted cash of \$371,980 in the General fund.

#### C. Capital Assets

Capital assets activity for the year ended June 30, 2010, was as follows:

	Balance		<b>5</b>	Transfers/	Balance
Covernmental Activities	July 1, 2009	Additions	Retirements	Adjustments	June 30, 2010
Governmental Activities Capital Assets, Not Being Depreciated:					
Land	\$ 4,295,414	\$ 111,630	\$ -	\$ 7,200	\$ 4,414,244
Construction in progress	1,325,400	2,168,833 101,078	-	( 1,499,421) 1,578,513	1,994,812
Intangible assets				1,376,313	1,679,591
Total Capital Assets, Not Being Depreciated	5,620,814	2,381,541		86,292	8,088,647
Capital Assets, Being Depreciated:					
Buildings and improvements	28,259,946	-	-	90,125	28,350,071
Equipment	29,165,886	1,020,287	( 577,612)	8,496	29,617,057
Infrastructure	159,019,483	6,053,458		1,389,616	166,462,557
Total Capital Assets, Being Depreciated	216,445,315	7,073,745	(577,612)	1,488,237	224,429,685
Less Accumulated Depreciation For:					
Buildings and improvements	( 8,014,634)	( 468,901)	-	-	( 8,483,535)
Equipment	( 23,769,278)	, , ,	·	( 52,325)	, , ,
Infrastructure	( <u>95,560,278</u> )	(5,358,487)		(27,224)	(100,945,989)
Total Accumulated Depreciation	( <u>127,344,190</u> )	(7,334,717)	526,269	(79,549)	( <u>134,232,187</u> )
Total Capital Assets, Being Depreciated, Net	89,101,125	(260,972)	(51,343)	1,408,688	90,197,498
Governmental Activities Capital Assets, Net	\$ 94,721,939	\$ 2,120,569	( <u>\$ 51,343</u> )	\$ 1,494,980	\$ 98,286,145

# NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

#### **NOTE 3: DETAILED NOTES (CONTINUED)**

#### C. Capital Assets (Continued)

	_ <u>J</u>	Balance uly 1, 2009		Additions	Retirements		Transfers/ djustments	Ju	Balance ine 30, 2010
Business-Type Activities Capital Assets, Not Being Depreciated:									
Land Construction in progress	\$	291,974 251,492	\$	909 141,919	\$ -	\$ ( <u> </u>	22,155 130,003)	\$	315,038 263,408
Total Capital Assets, Not Being Depreciated	_	543,466		142,828		(	107,848)		578,446
Capital Assets, Being Depreciated: Structures and improvements Equipment Infrastructure		2,587,558 4,013,852 11,088,337		- 348,515 -	- - -		- - 107,848		2,587,558 4,362,367 11,196,185
Total Capital Assets, Being Depreciated		17,689,747		348,515			107,848		18,146,110
Less Accumulated Depreciation For: Structures and improvements Equipment Infrastructure	(	2,487,210) 2,207,476) 6,293,853)	(	3,251) 292,443) 765,412)	- - -		- - -	(	2,490,461) 2,499,919) 7,059,265)
Total Accumulated Depreciation	(	10,988,539)	(	1,061,106)			<u> </u>	(	12,049,645)
Total Capital Assets, Being Depreciated, Net	:	6,701,208	(	712,591)		_	107,848		6,096,465
Business-Type Activities Capital Assets, Net	\$	7,244,674	( <u>\$</u>	569,763)	\$ -	\$		\$	6,674,911

#### Depreciation

Depreciation expense was charged to governmental functions as follows:

General government Public protection Health and welfare Public Assistance Education Public ways and facilities	\$ 660,031 618,298 180,430 130,852 6,583 5,735,966
Subtotal governmental funds	7,332,160
Depreciation on capital assets held by the County's internal service funds are charged to the various functions based on their usage of the assets	 2,557
Total Depreciation Expense – Governmental Functions	\$ 7,334,717
Depreciation expense was charged to the business-type functions as follows:	
STAGE Sanitation Aviation	\$ 263,889 30,170 767,047
Total Depreciation Expense – Business-Type Functions	\$ 1,061,106

#### **Construction in Progress**

Construction in progress for governmental activities related primarily to work performed on Wagon Creek Bridge, Ash Creek Bridge, Canyon Creek Bridge, McKinney Creek Bridge, Sheriff remodel, and Lake Siskiyou Trail. Construction in progress for business-type activities related primarily to work performed on the Weed Airport project.

#### Collections

Collections of art and historical treasures meet the definition of a capital asset and normally should be reported in the financial statements. However, the requirement for capitalization is waived for collections that meet certain criteria. The County has collections of historical treasures that are not capitalized as they meet all of the waiver requirements which are: (1) the collections are held solely for public exhibition, (2) the collections are protected, preserved and cared for, and (3) should any items be sold, the proceeds are used only to acquire other items for the collections. The County's gold is displayed on public property and in buildings throughout the County. The County's historical artifacts are displayed in various museums, forts, mansions, and other public buildings throughout the County.

# NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

# **NOTE 3: DETAILED NOTES (CONTINUED)**

#### D. Unearned Revenue

At June 30, 2010, the components of unearned revenue were reported as follows:

	_ <u>U</u>	Jnearned_
General Fund 2010/2011 payments in lieu of tax revenues received in 2009/2010	\$	844,642
Human Services Advances from California Department of Social Services Advances from the State of California		24,677 801,485
Public Health Overpayment of participation fees applied to 2010/2011 fee		13,838
Sanitation  Long term receivable from the City of Yreka at \$175,000 per year for future services		3,850,000
Non major governmental funds  Loans receivable (balance may be forgiven)		2,965,441
Total Unearned/Deferred Revenue	\$	8,500,083

#### E. Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended June 30, 2010:

Governmental Activities	Balance July 1, 2009	Additions	Retirements	Adjustments	Balance June 30, 2010	Amounts Due Within One Year
Revenue Bonds	\$ 193,600	\$ -	\$ 2,700	\$ -	\$ 190,900	\$ 2,800
Pension Obligation Bonds Less deferred amounts:	16,385,000	-	130,000	-	16,255,000	160,000
Underwriters discount	( 46,666)	-	1,667	=	( 44,999)	( 1,667)
Cost of issuance	(59,665)		2,131	<del>-</del>	(57,534)	(2,131)
Pension Obligation Bonds, Net	16,278,669		126,202		16,152,467	156,202
Loans Capital Leases (Note 3G) Compensated Absences (Note 1M) Net OPEB Obligation (Note 5)	1,829,748 104,685 3,235,299 2,616,459	1,254,727 3,562,414	46,044 52,249 1,419,108 561,864	3,531 - ( <u>83,570</u> )	1,783,704 55,967 3,070,918 5,533,439	47,526 55,495 1,093,105
Total Governmental Activities	<u>\$ 24,258,460</u>	\$ 4,817,141	\$ 2,208,167	( <u>\$ 80,039</u> )	\$ 26,787,395	<u>\$1,355,128</u>
Business-Type Activities Loans Closure/Post Closure (Note 3H) Compensated Absences (Note 1M) Net OPEB Obligation (Note 5)	\$ 1,965,493 11,176,591 64,959 89,457	\$ - 754,807 50,514 103,586	\$ 83,599 77,991 31,277	\$ - - ( <u>2,431</u> )	\$ 1,881,894 11,853,407 84,196 190,612	\$ 85,357 111,469 30,773
Total Business-Type Activities	\$ 13,296,500	\$ 908,907	\$ 192,867	(\$ 2,431)	\$ 14,010,109	\$ 227,599

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for these funds are included as part of the above totals for governmental activities. Estimated claims are liquidated by charges for services collected through individual internal service funds. Compensated absences for the governmental activities are generally liquidated by the fund where the accrued liability occurred.

# NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

# NOTE 3: DETAILED NOTES (CONTINUED)

E. Long-Term Liabilities (Continued)	G	overnmental	Business-Type
	_	Activities	Activities
At June 30, 2010, Revenue Bonds consisted of the following:			
Carrick Water - CSA Revenue Bonds, payable in annual installments of \$2,184 to \$10,000, with an interest rate of 4.50% and maturity on September 2, 2041. Bond proceeds were used to finance construction of the wastewater collection and treatment system.	<u>\$</u>	190,900	<u>\$</u>
Total Revenue Bonds	\$	190,900	<u>\$</u>
At June 30, 2010, Pension Obligation Bonds consisted of the following:			
County of Siskiyou Taxable Pension Obligation Bonds Series 2007, dated September 7, 2007, issued in the amount of \$16,620,000, payable in annual installments of \$100,000 to \$1,115,000, with an interest rate of 6.1% and maturity on June 30, 2037. The bonds were used to advance pay miscellaneous and safety employee pension obligations.	\$	16,255,000	\$ -
-			\$ -
Total Pension Obligation Bonds  At June 30, 2010, Loans consisted of the following:	<u>\$</u>	16,255,000	<u>Ф -</u>
California Infrastructure and Economic Development Bank Loan, dated January 1, 2005, payable in annual installments of \$40,562 to \$101,687, with an interest rate of 3.22% and maturity on August 1, 2034. Loan proceeds were used to finance the construction of a 40-bed juvenile detention hall.	\$	1,783,704	\$ -
California Infrastructure and Economic Development Bank Loan, dated December 1, 2002, payable in annual installments of \$40,891 to \$107,141, with an interest rate of 3.50% and maturity on February 1, 2032. Loan proceeds were used to finance closure/post-closure cost.		-	1,681,895
California Integrated Waste Management Board loan, dated February 1, 2001, payable in annual installments of \$33,333, with an interest rate of 0.00% and maturity on February 1, 2016. Loan proceeds were used to finance the State compliance improvement requirements for closure/post-closure costs of Black Butte landfill site.	_	<u>-</u>	199,999
Total Loans	\$	1,783,704	<u>\$ 1,881,894</u>

The annual aggregate maturities for years subsequent to June 30, 2010, are as follows:

Revenue Bonds									
		Governmen	ntal Ac	tivities	Bı	usiness-T	ype Activ	rities	
Year Ended	F	Principal		Interest	Prir	ncipal	Int	erest	 Total
2011	\$	2,800	\$	8,469	\$	-	\$	-	\$ 11,269
2012		2,900		8,465		-		-	11,365
2013		3,000		8,334		-		-	11,334
2014		3,200		8,199		-		-	11,399
2015		3,300		8,055		-		-	11,355
2016-2020		19,000		37,895		-		-	56,895
2021-2025		23,600		33,233		-		-	56,833
2026-2030		29,400		27,414		-		-	56,814
2031-2035		36,700		20,178		-		-	56,878
2036-2040		45,700		11,142		-		-	56,842
2041-2045		21,300		1,449		<u>-</u>		<u>-</u>	 22,749
Total	\$	190,900	\$	172,833	\$		\$		\$ 363,733

# NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

#### **NOTE 3: DETAILED NOTES (CONTINUED)**

# E. Long-Term Liabilities (Continued)

		Governmen	tal Ac	tivities	 Business-T	ype A	Activities		
Year Ended June 30	<u>F</u>	Principal		nterest	 Principal		Interest	_	Total
2011	\$	160,000	\$	991,555	\$ -	\$	-	\$	1,151,555
2012		190,000		981,795	-		-		1,171,795
2013		225,000		970,205	-		-		1,195,205
2014		265,000		956,480	-		-		1,221,480
2015		305,000		940,315	-		-		1,245,315
2016-2020		2,270,000		4,364,245	-		-		6,634,245
2021-2025		3,855,000		3,491,640	-		-		7,346,640
2026-2030		2,725,000		2,436,950	-		-		5,161,950
2031-2035		4,115,000		1,446,310	-		-		5,561,310
2036-2040		<u>2,145,000</u>		198,860	 <u> </u>		<u> </u>		2,343,860
Total	<u>\$ 1</u>	6,255,000	\$ 1	6,778,355	\$ 	\$		\$ 3	33,033,355
Loans									
		Governmen	tal Ac	tivities	 Business-T	ype A	ctivities		
Year Ended	F	Principal		nterest	Principal		Interest		Total
June 30									
				56 670	\$ 85 357	\$	58 866	\$	248 410
2011	\$	47,526	\$	56,670 55,115	\$ 85,357 87 178	\$	58,866 57,046	\$	248,419 248,396
2011 2012		47,526 49,057		55,115	\$ 87,178	\$	57,046	\$	248,396
2011 2012 2013		47,526 49,057 50,636		55,115 53,510	\$ 87,178 89,063	\$	57,046 55,160	\$	248,396 248,369
2011 2012 2013 2014		47,526 49,057 50,636 52,267		55,115 53,510 51,853	\$ 87,178 89,063 91,013	\$	57,046 55,160 53,210	\$	248,396 248,369 248,343
2011 2012 2013 2014 2015		47,526 49,057 50,636 52,267 53,950		55,115 53,510 51,853 50,143	\$ 87,178 89,063 91,013 93,033	\$	57,046 55,160 53,210 51,192	\$	248,396 248,369 248,343 248,318
2011 2012 2013 2014		47,526 49,057 50,636 52,267 53,950 296,952		55,115 53,510 51,853 50,143 223,074	\$ 87,178 89,063 91,013 93,033 364,674	\$	57,046 55,160 53,210 51,192 223,114	\$	248,396 248,369 248,343 248,318 1,107,814
2011 2012 2013 2014 2015 2016-2020		47,526 49,057 50,636 52,267 53,950 296,952 347,941		55,115 53,510 51,853 50,143 223,074 171,264	\$ 87,178 89,063 91,013 93,033 364,674 393,529	\$	57,046 55,160 53,210 51,192 223,114 160,926	\$	248,396 248,369 248,343 248,318 1,107,814 1,073,660
2011 2012 2013 2014 2015 2016-2020 2021-2025		47,526 49,057 50,636 52,267 53,950 296,952		55,115 53,510 51,853 50,143 223,074	\$ 87,178 89,063 91,013 93,033 364,674	\$	57,046 55,160 53,210 51,192 223,114	\$	248,396 248,369 248,343 248,318 1,107,814

#### F. Tax Anticipation Note

The County has statutory authority to negotiate temporary loans for periods not to extend beyond the fiscal year. On July 1, 2009, the County entered into the California Statewide Communities Development Authority Pooled Tax Anticipation Note program. The principal amount of the note was \$10,000,000 plus interest. The principal and interest were all due and paid in June of 2010. There were no short-term loans outstanding as of June 30, 2010.

Short-term debt activity for the year ended June 30, 2010, was as follows:

Beginning Balance	\$ -
Additions	10,000,000
Reductions	( 10,000,000)
Ending Balance	\$ -

#### G. Leases

#### **Operating Leases**

The County leases office buildings and equipment under non-cancellable operating leases. Total costs for these leases was \$357,996 for the year ended June 30, 2010. The future minimum lease payments are as follows:

Year Ended June 30	Lease Obligations
2011	\$ 195,170
2012	131,977
2013	30,848
Total	<u>\$ 357,995</u>

# NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

#### NOTE 3: DETAILED NOTES (CONTINUED)

#### **G. Leases (Continued)**

#### **Capital Leases**

The County has entered into certain capital lease agreements under which the related equipment will become the property of the County when all terms of the lease agreements are met.

	Stated Interest Rate	of I	esent Value Remaining ayments at e 30, 2010
Governmental activities	4.65% - 5.45%	\$	55,967
Total		\$	55,967
Equipment and related accumulated depreciation under capital lease are as follows:			rernmental activities
Equipment Less: accumulated depreciation		\$ (	214,226 178,359)
Net Value		\$	35,867
As of June 30, 2010, capital lease annual amortization is as follows:			
Year EndingJune 30			rernmental activities
2011 2012		\$	58,948 473
Total requirements Less interest		(	59,421 3,454)
Present Value of Remaining Payments		\$	55,967

#### **H. Closure/Post Closure**

The County is responsible for one active landfill site and twelve closed landfill sites. State and Federal laws and regulations require the County to place a final cover on its operating landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and post-closure costs as an expenditure in each year based on landfill capacity used as of each balance sheet date. The \$11,853,407 reported as closure/post-closure liability at June 30, 2010, represents the cumulative amount reported to date based on the estimates used ranging from 25 to 100 percent of total permitted site capacity filled. The estimated remaining life of the Yreka landfill is 59 years.

The County will recognize the remaining estimated cost of closure and post-closure care of \$9,942,085 for the active landfill as the remaining estimated capacity is filled. The County will recognize the remaining estimated cost of post-closure care of \$1,911,322 for the closed landfills over the remaining post-closure period. These amounts are based on what it would cost to perform all closure and post-closure care in 2010. Actual costs may be higher due to inflation, change in technology, or changes in regulations.

The County is required by State and Federal laws and regulations to provide financial assurance that appropriate resources will be available to finance closure and post-closure care costs in the future. At June 30, 2010, cash and investments of \$568,458 was held to fund closure and post-closure costs of the Yreka landfill and \$66,767 was held to fund post-closure costs of the County's twelve closed landfills. The County has adopted a pledge of revenue to fund ten of the closed sites. Although the County is not legally required by State or Federal laws to provide funding for its two landfill sites closed prior to 1991, the County has accepted final responsibility for these sites. The annual long term care funding requirements for these sites have not been estimated or accrued, however, management does not believe the annual costs are material to the County. The County expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional post-closure care requirement are determined (due to changes in technology or applicable laws or regulations, for example) these costs may need to be covered by charges to future landfill users or from future tax revenue.

# NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

#### **NOTE 3: DETAILED NOTES (CONTINUED)**

#### I. Interfund Transactions

#### **Due To/From Other Funds**

During the course of operations, transactions occur between funds to account for goods received or services rendered. These receivables and payables are classified as due from or due to other funds. In addition, when funds overdraw their share of pooled cash, the receivables and payables are also classified as due from or due to other funds. The following are due from and due to balances as of June 30, 2010:

	Due From Other Funds	Due To Other Funds
General fund	\$ 1,685,349	\$ 351,558
Road	157,026	109,238
Human Services	185,341	82,516
Public Health	384,692	408,260
Behavioral Health Services	100,710	110,256
STAGE	79,684	-
Aviation	-	36,956
Nonmajor Governmental Funds	539	590,409
Internal Service Funds	-	904,148
Agency Funds	3,426,038	3,426,038
Total	<u>\$ 6,019,379</u>	\$ 6,019,379

#### **Transfers**

Transfers are indicative of funding for capital projects, lease payments or debt service, subsidies of various County operations and re-allocations of special revenues. The following are the interfund transfers for the fiscal year ended June 30, 2010:

	Transfer <u>In</u>	Transfer Out		
General Fund Road Fund	\$ 15,765,383 847,445			
Human Services	3,483	617,030		
Public Health Behavioral Health Services	1,482,223 524,921	649,095		
Nonmajor Governmental Funds Sanitation	940,105 9.048	,, -		
Internal Service Funds	120,000	<del>_</del>		
Total	\$ 19,692,608	\$ 19,692,608		

#### **NOTE 4: EMPLOYEES' RETIREMENT PLAN**

#### **Plan Description**

The County contributes to the miscellaneous plan of the County of Siskiyou and the safety plan of the County of Siskiyou (plans) which are part of the California Public Employees Retirement System (PERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for governmental entities in the State of California. PERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions and all other requirements are established by statute. Copies of PERS' annual financial report may be obtained from their executive office – 400 P Street, Sacramento, CA 95814.

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

#### NOTE 4: EMPLOYEES' RETIREMENT PLAN (CONTINUED)

#### **Funding Policy**

Miscellaneous plan members are required to contribute 7 percent of their annual covered salary. Safety plan members are required to contribute 9 percent of their annual covered salary. The County is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The County has committed to contribute a portion of the required employee contribution in addition to their own required contributions. The actuarial methods and assumptions used are those adopted by the PERS Board of Administration. The required employer contribution rate for fiscal year 2009/2010 was 9.651 percent for miscellaneous employees and 16.915 percent for safety employees. The contribution requirements of the plan are established by State statute and the employer contribution rate is established and may be amended by PERS. The County is required to contribute the remaining amounts necessary to fund the benefits of its members using the actuarial basis adopted by the PERS Board of Administrators.

#### **Annual Pension Cost**

For fiscal year 2009/2010, the County's annual pension cost of \$2,445,966 for the miscellaneous plan and \$1,126,860 for the safety plan was equal to the County's required and actual contributions. The required contribution was determined as part of the June 30, 2007, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.75 percent investment rate of return (net of administrative expenses), (b) projected annual salary increases of 3.25 percent to 14.45 percent for miscellaneous plan and 3.25 percent to 13.15 percent for safety plan, depending on age, service, and type of employment, and (c) 3.25 percent per year cost of living adjustment. Both (a) and (b) included an inflation component of 3.00 percent. The actuarial value of PERS assets was determined using techniques that smooth the effect of short term volatility in the market value of investments over a two to five year period depending on the size of the investment gains or losses.

The table below presents three-year trend information:

#### Miscellaneous:

Fiscal YearEnding	Annual Pension <u>Cost (APC)</u>	Percentage of APC Contributed	Net Pension Obligation
June 30, 2008	\$ 2,115,493	100%	-
June 30, 2009	2,337,961	100%	-
June 30, 2010	2,445,966	100%	-
Safety:			
Fiscal Year	Annual Pension Cost (APC)	Percentage of	Net Pension
Ending		APC Contributed	Obligation
June 30, 2008	\$ 1,308,103	100%	-
June 30, 2009	1,204,344	100%	-
June 03, 2010	1,126,860	100%	-

#### **Funded Status and Funding Progress**

As of June 30, 2009, the most recent actuarial valuation date, the miscellaneous plan was 89.4 percent funded. The actuarial accrued liability for benefits was \$157,977,311, and the actuarial value of assets was \$141,196,996, resulting in an unfunded actuarial accrued liability (UAAL) of \$16,780,315. The covered payroll (annual payroll of active employees covered by the plan) was \$28,704,465, and the ratio of the UAAL to the covered payroll was 58.5 percent.

As of June 30, 2009, the most recent actuarial valuation date, the safety plan was 96.0 percent funded. The actuarial accrued liability for benefits was \$58,275,739, and the actuarial value of assets was \$55,936,910, resulting in an unfunded actuarial accrued liability (UAAL) of \$2,338,829. The covered payroll (annual payroll of active employees covered by the plan) was \$6,966,092, and the ratio of the UAAL to the covered payroll was 33.6 percent.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

#### **NOTE 5: OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

#### **Plan Description**

The County contributes to California Public Employees Retirement System (CalPERS), a cost sharing multiple-employer defined benefit postemployment healthcare plan administrator ("the Retiree Health Plan"). An employee is eligible for lifetime medical benefits under the Plan, along with his/her spouse at the time or retirement, if he or she retires from the County under CalPERS.

#### **Funding Policy**

As required by GASB 45, an actuary will determine the County's Annual Required Contributions (ARC) at least once every two fiscal years. The ARC is calculated in accordance with certain parameters, and includes (1) the Normal Cost for one year, and (2) a component for amortization of the total unfunded actuarial accrued liability (UAAL) over a period not to exceed 30 years.

GASB 45 does not require pre-funding of OPEB benefits. Therefore, the County's funding policy is to continue to pay healthcare premiums for retirees as they fall due. The County has elected not to establish an irrevocable trust at this time. The Board of Supervisors reserves the authority to review and amend this funding policy from time to time, in order to ensure that the funding policy continues to best suit the circumstances of the County.

### **Annual OPEB Cost and Net OPEB Obligation**

The County's annual other postemployment benefits (OPEB) cost is calculated based on the annual required contribution (ARC) an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year. The County is currently on a pay-as-you-go basis and has elected not to pre-fund at this time.

The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County's net OPEB obligation to the Retiree Health Plan.

Annual Required Contribution Interest on Net OPEB Obligation Amortization of Net OPEB Obligation	\$ ( <u> </u>	3,666,000 115,000 201,000)
Annual OPEB Cost/Expense Contributions Made Increase in Net OPEB Obligation		3,580,000 561,865 3,018,135
Net OPEB Obligation Beginning		2,705,916
Net OPEB Obligation Ending	\$	5,724,051

The County's Annual OPEB Cost, the actual contributions, the percentage of Annual OPEB cost contributed to the plan, and the Net OPEB Obligation (Asset) for the fiscal years ended June 30, 2009 and June 30, 2010 is as follows:

Fiscal Year Ended		Annual OPEB Cost		Actual ntribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation/ (Asset)
June 30, 2009	\$	3,355,000	\$	649,084	19.35%	\$ 2,705,965
June 30, 2010		3,580,000		561,865	15.69%	5,724,051

The quantifications of costs set for the above should not be interpreted in any way as vesting such benefits; rather the disclosures are made solely to comply with the County's reporting obligations under GASB 45 as the County understands these obligations.

#### **Funded Status and Funding Progress**

As of June 30, 2008, the most recent actuarial valuation date, the plan was 0.00 percent funded. The actuarial accrued liability for benefits was \$30,346,000 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$30,346,000. The covered payroll (annual payroll of employees covered by the plan) was \$30,546,000, and the ratio to the UAAL to the covered payroll was 99.35 percent.

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

#### NOTE 5: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

### **Funded Status and Funding Progress (Continued)**

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the Annual Required Contributions of the County are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information (as it becomes available) that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

### **Actuarial Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The most recent valuation was performed as of June 30, 2008. The assumptions used for this valuation are in accordance with CalPers' "OPEB Assumption Model", which describes guidelines to be used for retiree healthcare valuations for plans intending to pre-fund benefits through California Employers' Retiree Benefit Trust (CERBT).

In the June 30, 2008 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a 3% inflation factor, payroll increases of 3.25%, dental trend of 3.5% and assumed medical inflation of 9.7% graded down to 4.5% over 9 years. The OPEB plan's unfunded actuarial liability is being amortized by level percent of payroll contributions over 30 years. The remaining amortization period at June 30, 2010 was 28 years.

#### NOTE 6: RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has Risk Management Funds (internal service funds) to account for and finance its risk management programs. The County is self insured for unemployment and is covered by the County Supervisors Association of California (CSAC) Excess Insurance Authority for liability and workers' compensation. CSAC Excess Insurance Authority is a public entity risk pool currently operating as a common risk management and insurance program for Counties. Should actual loss among participants be greater than anticipated, the County will be assessed its prorata share of the deficiency. Conversely, if the actual losses are less than anticipated, the County will be refunded its prorata share of the excess. Settled claims have not exceeded commercial coverage in any of the past three fiscal years.

At June 30, 2010, the Unemployment Risk Management fund had a funding deficit of \$193,918. The claims liability of the County is based on the requirements of Governmental Accounting Standards Board No. 10, which requires that a liability for claims be reported if information prior to issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Actual claims liability at June 30, 2010 was as follows:

 Unemployment
 \$ 75,998

 Total
 \$ 75,998

All funds of the County participate in the program and make payments to the risk management funds based on actuarial estimates of the amounts needed to pay prior and current year claims, insurance premiums, and to establish a reserve for catastrophic losses.

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

#### NOTE 6: RISK MANAGEMENT (CONTINUED)

Changes in the County's claims liability amount for the fiscal years 2008, 2009, and 2010 were as follows:

	Beg	Balance at Beginning of <u>Fiscal Year</u>		Current year Claims and Changes in Estimates		Claims Payments		Balance at End of Fiscal Year	
2008	\$	87,575	\$	75,783	\$	141,156	\$	22,202	
2009		22,202		135,705		146,207		11,700	
2010		11,700		314,137		249,839		75,998	

The ultimate settlement of specific claims against the County cannot presently be determined and no provision for any other liability that may result has been made in the financial statements.

#### NOTE 7: OTHER INFORMATION

#### **A. Construction Commitments**

The County has signed agreements to construct various capital improvement jobs subsequent to June 30, 2010. The balance owed on these commitments at June 30, 2010, was approximately \$2,306,737.

#### **B.** Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the appreciable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

#### C. Joint Agencies

The CSAC Excess Insurance Authority is a joint powers authority organized for the purpose to develop and fund excess insurance programs for member counties. The Authority operates public entity risk pools for workers' compensation, comprehensive liability, property, medical malpractice, and pool purchases excess insurance and services for members. The Authority is under the control and direction of a board of directors consisting of representatives of the fifty four member counties and seven members elected by the public entity membership.

Complete audited financial statements for CSAC Excess Insurance Authority can be obtained from the Authority's office at 3017 Gold Canal Drive, Suite 300, Rancho Cordova, California 95670.

#### D. Subsequent Events

Management has evaluated events subsequent to June 30, 2010 through March 18, 2011, the date on which the financial statements were available for issuance. Management has determined no subsequent events requiring disclosure have occurred.

## E. Proposition 1A Borrowing by the State of California

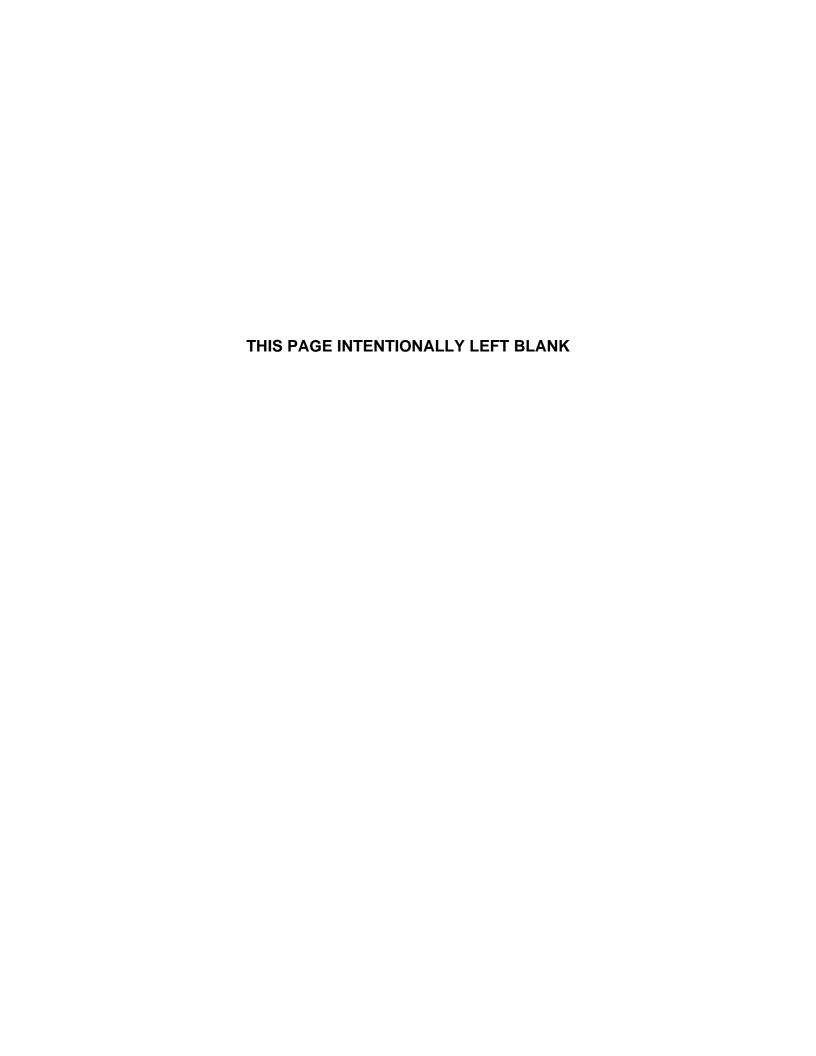
Under the provisions of Proposition 1A and as part of the 2009-10 budget package passed by the California state legislature on July 28, 2009, the State of California borrowed 8% of the amount of property tax revenue, including those property taxes associated with the in-lieu motor vehicle license fee, the triple flip in lieu sales tax, and supplemental property tax, apportioned to cities, counties and special districts (excluding redevelopment agencies). The state is required to repay this borrowing plus interest by June 30, 2013. After repayment of this initial borrowing, the California legislature may consider only one additional borrowing within a ten-year period. The amount of this borrowing pertaining to the County was \$1,205,792.

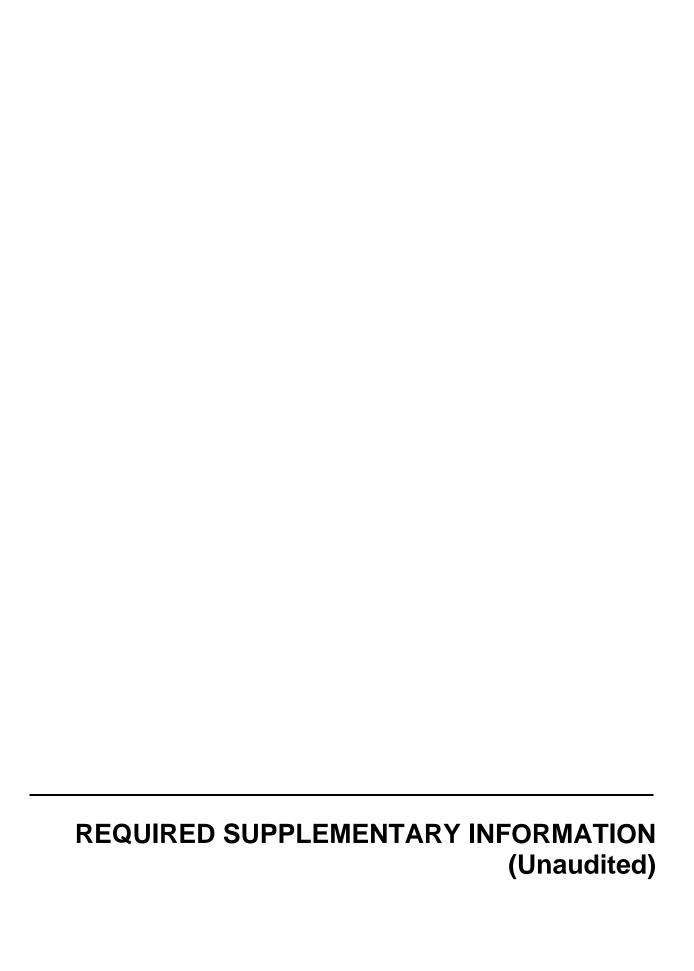
## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

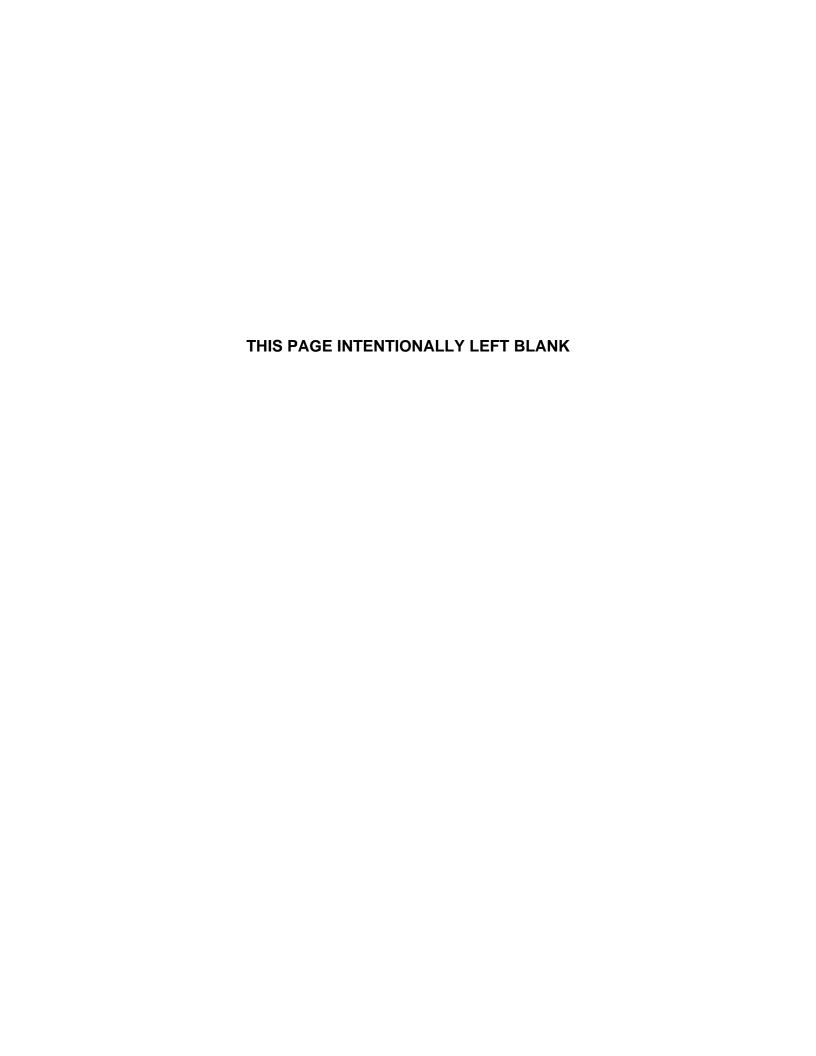
NOTE 7: OTHER INFORMATION (CONTINUED)

#### E. Proposition 1A Borrowing by the State of California (Continued)

Authorized with the 2009-10 State budget package, the Proposition 1A Securitization Program was instituted by the California Statewide Communities Development Authority ("California Communities"), a joint powers authority sponsored by the California State Association of Counties and the League of California Cities, to enable local governments to sell their Proposition 1A receivables to California Communities. Under the Securitization Program, California Communities simultaneously purchased the Proposition 1A receivables and issued bonds ("Prop 1A Bonds") to provide local agencies with cash proceeds in two equal installments, on January 15, 2010 and May 3, 2010. The purchase price paid to the local agencies equaled 100% of the amount of the property tax reduction. All transaction costs of issuance and interest were paid to the State of California. Participating local agencies have no obligation on the bonds and no credit exposure to the State. The County participated in the securitization program and accordingly property taxes have been recorded in the same manner as if the State had not exercised its rights under Proposition 1A. The receivable sale proceeds were equal to the book value and, as a result, no gain or loss was recorded.







## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF FUNDING PROGRESS (UNAUDITED) FOR THE YEAR ENDED JUNE 30, 2010

#### 1. SCHEDULE OF FUNDING PROGRESS - PENSION

Entry Age

58,275,739

The table below shows a three-year analysis of the most recent actuarial value of assets as a percentage of the actuarial accrued liability and the unfunded actuarial accrued liability as a percentage of the annual covered payroll for the County Miscellaneous Plan and the Safety Plan:

Unfunded

Funded Ratios

96.0%

69.3%

6,966,092

33.6%

#### Miscellaneous Plan:

June 30, 2009

Valuation	Normal Accrued	Actuarial Value of		Liability (Excess	Actuarial	Market		Annual Covered	UAAL as a % of
Date	Liability	Assets		Assets)	Value	Value	_	Payroll	Payroll
June 30, 2007	\$131,414,371	\$119,084,565	\$	12,329,806	90.6%	105.2%	*	25,081,481	49.2%
June 30, 2008	143,184,624	135,878,357		7,306,267	94.9%	96.4%	2	26,804,102	27.3%
June 30, 2009	157,977,311	141,196,996		16,780,315	89.4%	64.8%	:	28,704,465	58.5%
Safety Plan:									
	Entry Age			Unfunded	Funded	Ratios			
	Normal	Actuarial		Liability				Annual	UAAL
Valuation	Accrued	Value of		(Excess	Actuarial	Market		Covered	as a % of
Date	Liability	Assets	_	Assets)	<u>Value</u>	Value		Payroll	Payroll
June 30, 2007	\$ 50,064,917	\$ 42,704,917	\$	7,360,000	85.3%	99.0%	\$	6,463,604	113.9%
June 30, 2008	54 178 260	53 433 291		744 969	98.6%	99 4%		6 832 640	10.9%

### 2. SCHEDULE OF FUNDING PROGRESS - OTHER POSTEMPLOYMENT BENEFITS (OPEB)

55,936,910

The table below shows a one year analysis of the actuarial value of assets as a percentage of the actuarial accrued liability and the unfunded actuarial accrued liability as a percentage of the annual covered payroll as of June 30, 2008 for the County Other Postemployment Benefit Plan. As additional years are available, a three year trend analysis will be presented.

2,338,829

	Actuarial	Actuarial				UAAL
Actuarial	Value of	Accrued	Unfunded			as a % of
Valuation	Assets	Liability	AAL	Funded	Covered	Covered
Date	(AVA)	(AAL)	(UAAL)	Ratio	Payroll	Payroll
June 30, 2008	-	\$30,346,000	\$30,346,000	_	\$ 30,546,000	99.35%

## REQUIRED SUPPLEMENTARY INFORMATION BUDGETARY COMPARISON SCHEDULE GENERAL FUND FOR THE YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<u>REVENUES</u>	Ф 44 <b>7</b> 0 <b>7</b> 400	Ф 40.050.400	Ф 44 050 <del>7</del> 04	Φ (000 000)
Taxes Licenses and permits	\$ 11,797,100 862,000	\$ 12,059,100 862,000	\$ 11,659,731 804,325	\$ (399,369) (57,675)
Fines and forfeitures	1,910,800	1,810,000	1,722,289	(87,711)
Use of money and property	1,147,741	1,201,915	1,100,604	(101,311)
Intergovernmental	16,953,773	14,810,108	12,944,681	(1,865,427)
Charges for services	5,492,275	5,684,786	5,820,814	136,028
Other revenues	135,655	224,888	349,778	124,890
Total Revenues	38,299,344	36,652,797	34,402,222	(2,250,575)
EXPENDITURES				
Current:				
General government	7,149,174	7,279,144	6,461,537	817,607
Public protection	30,820,901	28,895,374	27,494,139	1,401,235
Health and welfare	48,899	48,899	49,073	(174)
Public assistance	362,345 1,096,615	467,368	424,052 1,151,716	43,316
Education Culture and recreation	94,105	1,140,371 93,954	92,883	(11,345) 1,071
Public ways and facilities	30,729	30,729	92,003 28,079	2,650
Debt service	260,988	239,163	236,727	2,436
Capital outlay	9,632	297,295	337,988	(40,693)
Appropriation for contingencies	600,000	133,314	-	133,314
Total Expenditures	40,473,388	38,625,611	36,276,194	2,349,417
Excess of Revenues Over (Under) Expenditures	(2,174,044)	(1,972,814)	(1,873,972)	98,842
OTHER FINANCING SOURCES (USES)				
Transfers in	15,198,849	16,584,737	15,765,383	(819,354)
Transfers out	(13,812,353)	(14,978,365)	(14,433,169)	545,196
Total Other Financing Sources (Uses)	1,386,496	1,606,372	1,332,214	(274,158)
Net Change in Fund Balances	(787,548)	(366,442)	(541,758)	(175,316)
Fund Balances - Beginning	460,774	460,774	460,774	
Fund Balances - Ending	\$ (326,774)	\$ 94,332	\$ (80,984)	\$ (175,316)

REQUIRED SUPPLEMENTARY INFORMATION BUDGETARY COMPARISON SCHEDULE ROAD - MAJOR SPECIAL REVENUE FUND FOR THE YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES	•	Φ.	Ф 400.07E	Ф 400 0 <b>7</b> 5
Taxes Use of money and property	\$ - 300.200	\$ - 300.200	\$ 126,875 195,228	\$ 126,875 (104,972)
Intergovernmental	9,234,795	15,944,790	14,344,684	(1,600,106)
Charges for services	255,409	255,409	185,819	(69,590)
Other revenues	1,800	229,531	207,906	(21,625)
Total Revenues	9,792,204	16,729,930	15,060,512	(1,669,418)
Total Revenues	9,192,204	10,729,930	13,000,312	(1,009,410)
EXPENDITURES Current:				
Public ways and facilities	10,224,041	9,987,580	6,625,071	3,362,509
Capital outlay	798,197	8,948,749	7,769,225	1,179,524
Appropriation for contingencies		150,000		150,000
Total Expenditures	11,022,238	19,086,329	14,394,296	4,692,033
Excess of Revenues Over (Under) Expenditures	(1,230,034)	(2,356,399)	666,216	3,022,615
OTHER FINANCING SOURCES (USES) Transfers in	866,134	1,777,079	847,445	(929,634)
Transfers out	(707,661)	(1,563,032)	(627,119)	935,913
Hallstels out	(101,001)	(1,303,032)	(027,119)	933,913
Total Other Financing Sources (Uses)	158,473	214,047	220,326	6,279
Net Change in Fund Balances	(1,071,561)	(2,142,352)	886,542	3,028,894
Fund Balances - Beginning	13,217,115	13,217,115	13,217,115	-
Change in inventory on purchase method			5,702	5,702
Fund Balances - Ending	\$ 12,145,554	\$ 11,074,763	\$ 14,109,359	\$ 3,034,596

# REQUIRED SUPPLEMENTARY INFORMATION BUDGETARY COMPARISON SCHEDULE HUMAN SERVICES - MAJOR SPECIAL REVENUE FUND FOR THE YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES	• • • • • • • • • • • • • • • • • • • •			
Taxes Fines & forfeitures	\$ 2,610,735	\$ 2,275,168	\$ 2,491,171 1,000	\$ 216,003 1,000
Use of money and property	55,500	55,500	13,947	(41,553)
Intergovernmental	18,982,271	18,764,663	16,944,286	(1,820,377)
Charges for services	25,769	25,769	11,784	(13,985)
Other revenues	24,372	24,372	23,609	(763)
Total Revenues	21,698,647	21,145,472	19,485,797	(1,659,675)
EXPENDITURES				
Current:				
Public assistance	21,443,322	21,159,825	19,370,440	1,789,385
Capital outlay	9,201	9,201	14,384	(5,183)
Total Expenditures	21,452,523	21,169,026	19,384,824	1,784,202
Excess of Revenues Over (Under) Expenditures	246,124	(23,554)	100,973	124,527
OTHER FINANCING SOURCES (USES)				
Transfers in	267,216	-	3,483	3,483
Transfers out	(983,002)	(667,921)	(617,030)	50,891
Total Other Financing Sources (Uses)	(715,786)	(667,921)	(613,547)	54,374
Net Change in Fund Balances	(469,662)	(691,475)	(512,574)	178,901
Fund Balances - Beginning	429,978	429,978	429,978	
Fund Balances - Ending	\$ (39,684)	\$ (261,497)	\$ (82,596)	\$ 178,901

## REQUIRED SUPPLEMENTARY INFORMATION BUDGETARY COMPARISON SCHEDULE PUBLIC HEALTH - MAJOR SPECIAL REVENUE FUND FOR THE YEAR ENDED JUNE 30, 2010

DEVENUES	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES Taxes	\$ 390.000	\$ 390.000	\$ 598,364	\$ 208,364
Licenses and permits	243,500	248,500	231,837	(16,663)
Fines and forfeitures	3,000	3,000	3,518	518
Use of money and property	12,600	13,200	5,032	(8,168)
Intergovernmental	2,250,557	2,964,266	2,460,978	(503,288)
Charges for services	7,337,461	272,950	281,152	8,202
Other revenues	100	2,627	4,572	1,945
Total Revenues	10,237,218	3,894,543	3,585,453	(309,090)
EXPENDITURES Current:				
Health and welfare	4,123,343	4,331,615	4,045,995	285,620
Capital outlay		84,800	75,413	9,387
Total Expenditures	4,123,343	4,416,415	4,121,408	295,007
Excess of Revenues Over (Under) Expenditures	6,113,875	(521,872)	(535,955)	(14,083)
OTHER FINANCING SOURCES (USES)				
Transfers in	1,238,470	1,381,737	1,482,223	100,486
Transfers out	(1,018,418)	(1,020,492)	(1,029,016)	(8,524)
Total Other Financing Sources (Uses)	220,052	361,245	453,207	91,962
Net Change in Fund Balances	6,333,927	(160,627)	(82,748)	77,879
Fund Balances - Beginning	581,005	581,005	581,005	
Fund Balances - Ending	\$ 6,914,932	\$ 420,378	\$ 498,257	\$ 77,879

# REQUIRED SUPPLEMENTARY INFORMATION BUDGETARY COMPARISON SCHEDULE BEHAVIORAL HEALTH SERVICES - MAJOR SPECIAL REVENUE FUND FOR THE YEAR ENDED JUNE 30, 2010

DEVENUE	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES Taxes	\$ 957,080	\$ 957.080	\$ 793,307	\$ (163,773)
Fines and forfeitures	10,000	10,000	18.926	8,926
Use of money and property	-	-	82,350	82,350
Intergovernmental	19,074,796	22,991,257	18,199,071	(4,792,186)
Charges for services	176,800	142,300	229,319	87,019
Other revenues			107	107
Total Revenues	20,218,676	24,100,637	19,323,080	(4,777,557)
EXPENDITURES				
Current: Health and welfare	19,900,086	22,075,812	17,449,798	4,626,014
Capital outlay	379,900	379,900	364,974	14,926
ouplia. Outlay	0.0,000			,020
Total Expenditures	20,279,986	22,455,712	17,814,772	4,640,940
Excess of Revenues Over (Under) Expenditures	(61,310)	1,644,925	1,508,308	(136,617)
OTHER FINANCING SOURCES (USES)				
Transfers in	1,004,311	762,775	524,921	(237,854)
Transfers out	(1,054,751)	(880,221)	(649,095)	231,126
Total Other Financing Sources (Uses)	(50,440)	(117,446)	(124,174)	(6,728)
Net Change in Fund Balances	(111,750)	1,527,479	1,384,134	(143,345)
Fund Balances - Beginning	878,770	878,770	878,770	
Fund Balances - Ending	\$ 767,020	\$ 2,406,249	\$ 2,262,904	\$ (143,345)

## REQUIRED SUPPLEMENTARY INFORMATION NOTE TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED JUNE 30, 2010

#### A. SCHEDULE OF FUNDING PROGRESS - PENSION

The Schedule of Funding Progress - Pension presents a consolidated snapshot of the County's ability to meet current and future liabilities with the plan assets. Of particular interest to most is the funded status ratio. This ratio conveys a plan's level of assets to liabilities, an important indicator to determine the financial health of the pension plan. The closer the plan is to a 100% funded status, the better position it will be in to meet all of its future liabilities.

#### B. SCHEDULE OF FUNDING PROGRESS - OTHER POSTEMPLOYMENT BENEFITS (OPEB)

The Schedule of Funding Progress - Other Postemployment Benefits provides a consolidated snapshot of the County's ability to meet current and future liabilities with the plan assets. Of particular interest to most is the funded status ratio. This ratio conveys a plan's level of assets to liabilities, an important indicator to determine the financial health of the OPEB plan. The closer the plan is to a 100% funded status, the better position it will be in to meet all of its future liabilities.

#### C. BUDGETARY BASIS OF ACCOUNTING

In accordance with the provisions of Sections 29000 and 29143, inclusive, of the California Government Code and other statutory provisions, commonly known as the County Budget Act, the County prepares a budget for each fiscal year on or before August 30. Budgeted expenditures are enacted into law through the passage of an Appropriation Ordinance. This ordinance mandates the maximum authorized expenditures for the fiscal year and cannot be exceeded except by subsequent amendments to the budget by the County's Board of Supervisors.

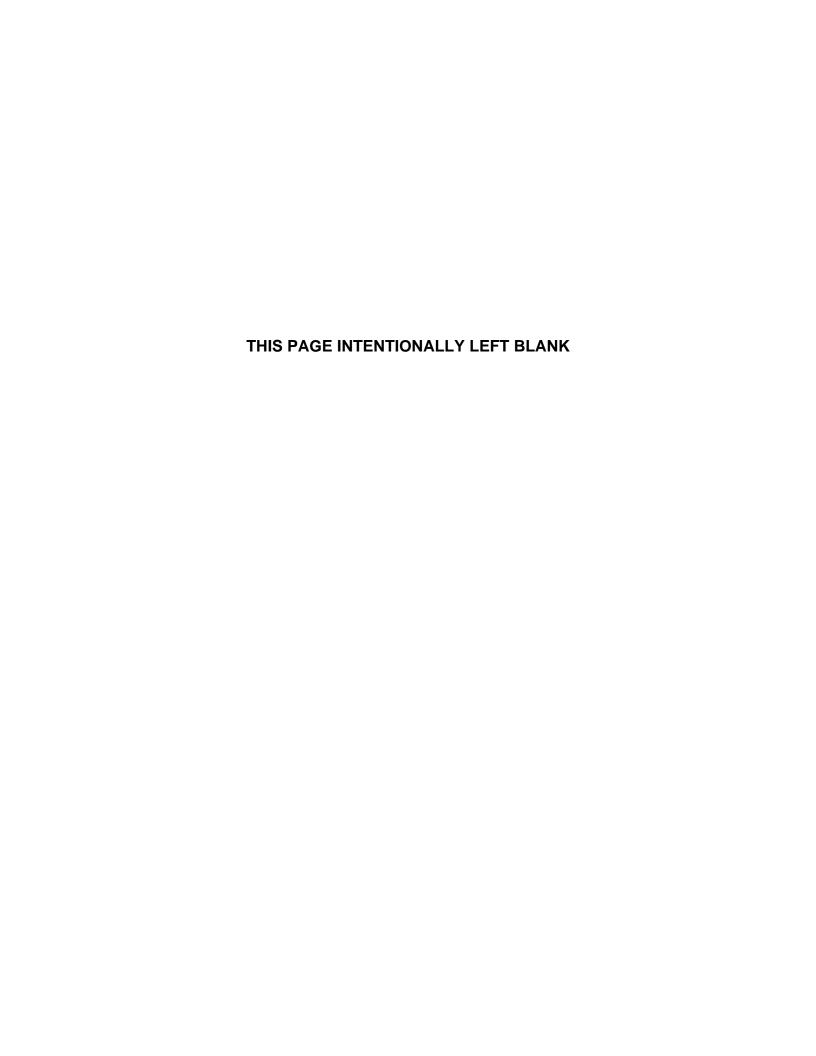
The County follows these procedures annually in establishing the budgetary data reflected in the financial statements:

- (1) The County Executive Officer submits to the Board of Supervisors a proposed draft budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them.
- (2) The Board of Supervisors reviews the proposed budget at regularly scheduled meetings, which are open to the public. The Board also conducts a public hearing on the proposed budget to obtain comments from interested persons.
- (3) Prior to July 1, the budget is adopted through the passage of a resolution.
- (4) From the effective date of the budget, which is adopted and controlled at the service budget unit, the amounts stated therein, as proposed expenditures become appropriations to the various County service budget units. The Board of Supervisors may amend the budget by motion during the fiscal year. The County Administrative Officer may authorize transfers from one object or purpose to another within the same service budget unit.

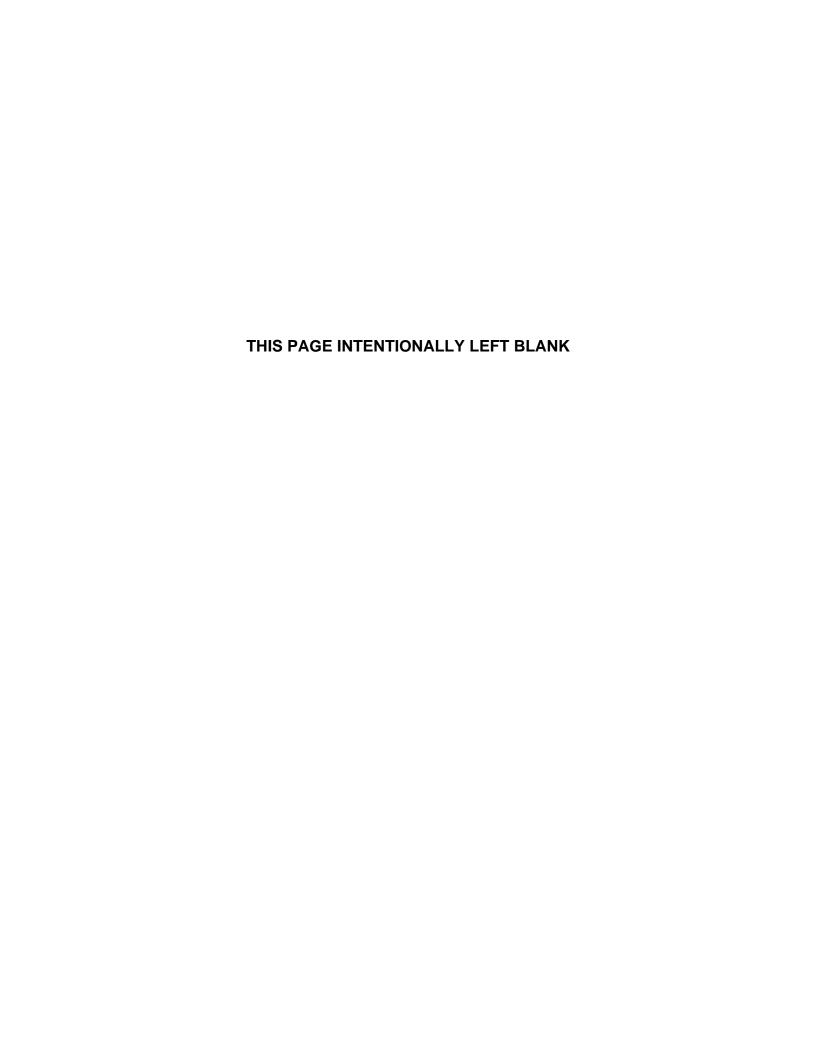
Formal budgetary integration is employed as a management control device during the year. The County presents a comparison of annual budgets to actual results for all governmental funds except for debt service funds, the expenditures of which are controlled by provisions of debt agreements. The amounts reported on the budgetary basis are generally on a basis consistent with accounting principles generally accepted in the United States of America (GAAP).

#### D. ENCUMBRANCES

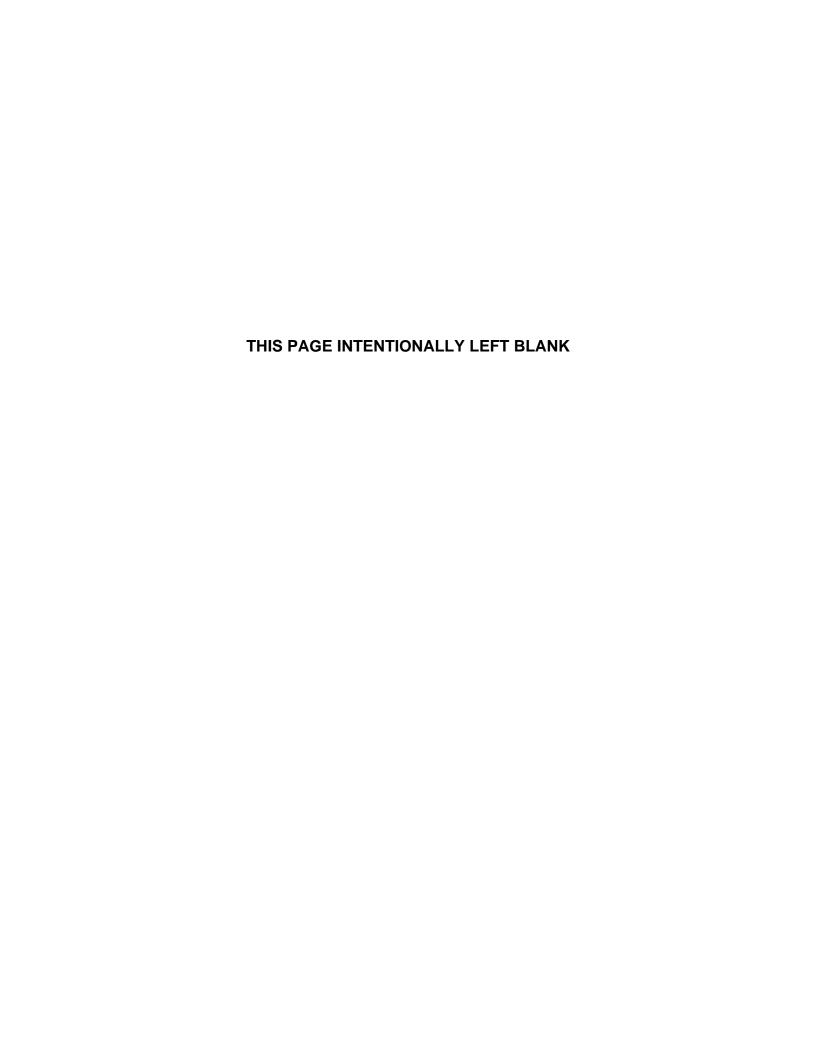
The County uses an encumbrance system as an extension of normal budgetary accounting for the General and other governmental funds. Under this system, purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of applicable appropriations. Encumbrances outstanding at year end are recorded as reservations of fund balance since they do not constitute expenditures or liabilities. Unencumbered appropriation lapse at year-end. Encumbered appropriations are carried forward in the ensuing year's budget.









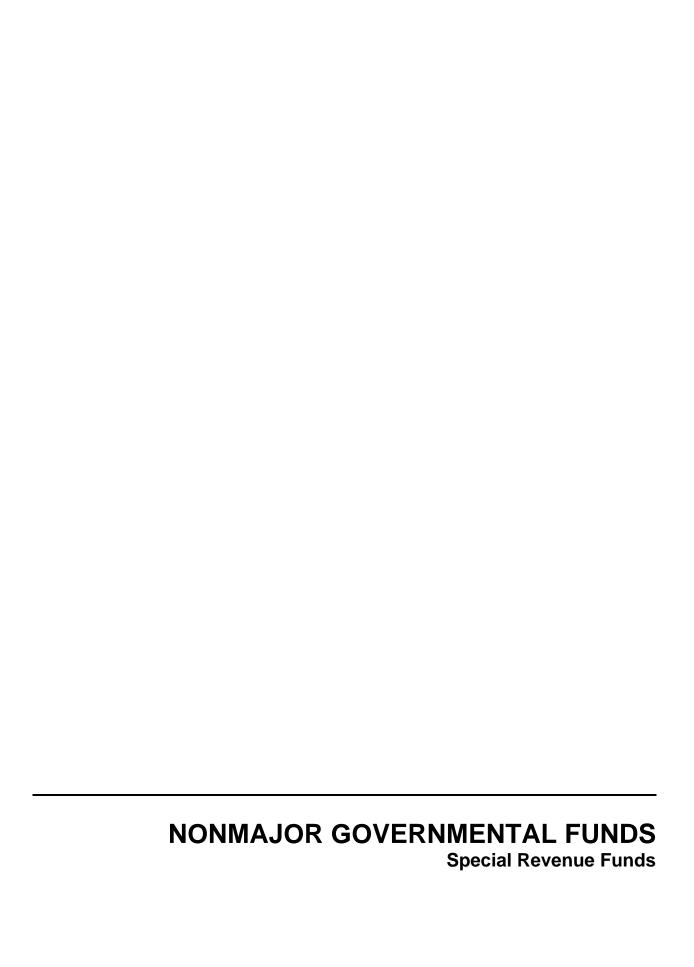


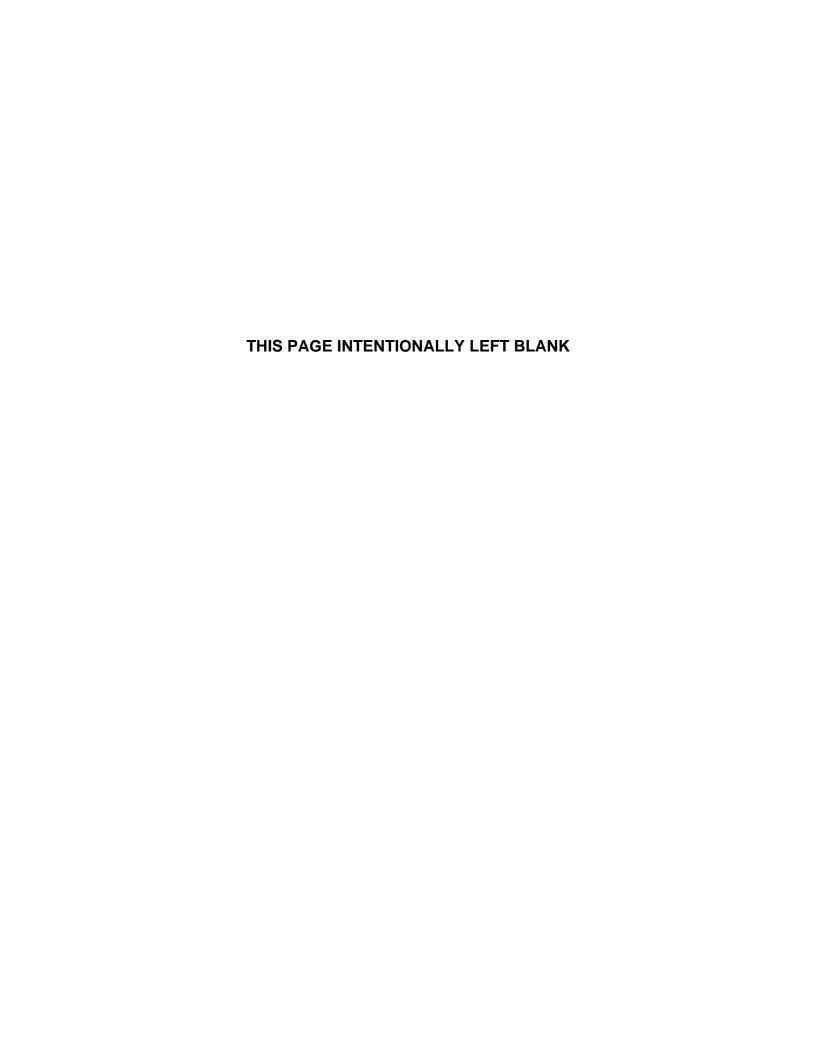
## COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2010

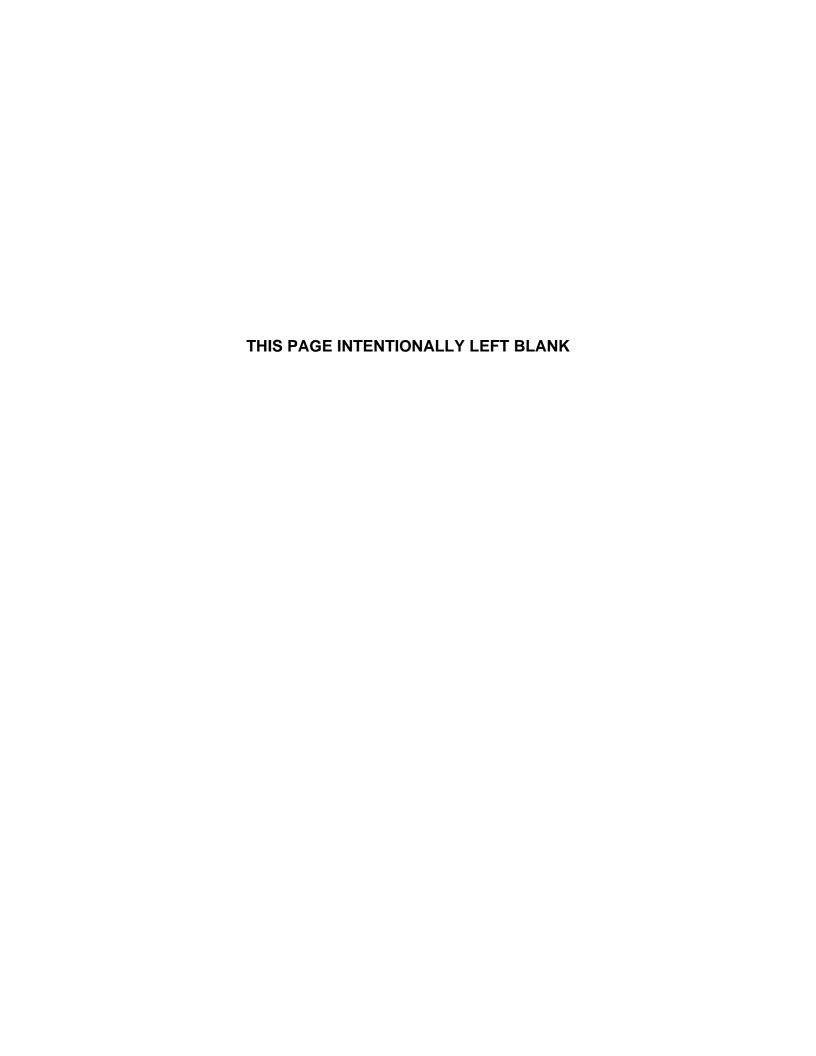
	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	Totals
ASSETS				
Cash and investments	\$ 4,139,673	\$ 6,363,340	\$ 878,389	\$ 11,381,402
Accounts receivable	260,645	120,090	65,624	446,359
Interest receivable	16,858	22,726	3,786	43,370
Taxes receivable	273	-	-	273
Due from other funds	539	-	-	539
Loans receivable	3,447,434	29,254		3,476,688
Total Assets	\$ 7,865,422	\$ 6,535,410	\$ 947,799	\$ 15,348,631
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 829,449	\$ 267,576	\$ -	\$ 1,097,025
Accrued salaries and benefits	129,271	-	-	129,271
Interest payable	815	662	-	1,477
Due to other funds	127,816	462,593	-	590,409
Unearned revenues	2,965,441			2,965,441
Total Liabilities	4,052,792	730,831		4,783,623
Fund Balances				
Restricted	3,532,198	6,400,299	947,799	10,880,296
Committed	105,093	-	-	105,093
Assigned	332,674	-	-	332,674
Unassigned	(157,335)	(595,720)		(753,055)
Total Fund Balances	3,812,630	5,804,579	947,799	10,565,008
Total Liabilities and Fund Balances	\$ 7,865,422	\$ 6,535,410	\$ 947,799	\$ 15,348,631

# COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2010

	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	Totals
REVENUES Taxes Licenses and permits Fines and forfeitures Use of money and property Intergovernmental Charges for services Other revenues	\$ 432,962 100,311 18,685 478,452 6,188,036 230,502 59,132	\$ - 309,541 109,469 189,228 - 1,073,290	\$ - - 21,159 - - 1,419,127	\$ 432,962 100,311 328,226 609,080 6,377,264 230,502 2,551,549
Total Revenues	7,508,080	1,681,528	1,440,286	10,629,894
EXPENDITURES Current:				
General government	4 000 000	-	6,589	6,589
Public protection Health and welfare	4,839,302 1,365,316	-	-	4,839,302 1,365,316
Public assistance	973,654	-	-	973,654
Education	3,441	-	_	3,441
Public ways and facilities Debt service	267,235	-	-	267,235
Principal	2,700	-	176,044	178,744
Interest and other charges	8,651	-	1,057,662	1,066,313
Capital outlay	57,332	818,559		875,891
Total Expenditures	7,517,631	818,559	1,240,295	9,576,485
Excess of Revenues Over(Under) Expenditures	(9,551)	862,969	199,991	1,053,409
OTHER FINANCING SOURCES (USES)				
Transfers in	830,334	-	109,771	940,105
Transfers out	(1,615,227)	(712,904)		(2,328,131)
Total Other Financing Sources (Uses)	(784,893)	(712,904)	109,771	(1,388,026)
Net Change in Fund Balances	(794,444)	150,065	309,762	(334,617)
Fund Balances - Beginning	4,125,081	5,654,514	638,037	10,417,632
Prior period adjustment	481,993			481,993
Fund Balances - Beginning, Restated	4,607,074	5,654,514	638,037	10,899,625
Fund Balances - Ending	\$ 3,812,630	\$ 5,804,579	\$ 947,799	\$ 10,565,008







	Dept of Child Support Services		Fish and Game		eothermal	General County Fire		Planning Projects	
<u>ASSETS</u>									
Cash and investments	\$	369,838	\$ 14,235	\$	584,215	\$	323,338	\$	296
Accounts receivable		-	137		16,217		3,105		-
Interest receivable		1,683	53		2,139		1,137		1
Taxes receivable		-	-		-		113		-
Due from other funds		-	-		-		-		-
Loans receivable			 	-					
Total Assets	\$	371,521	\$ 14,425	\$	602,571	\$	327,693	\$	297
LIABILITIES AND FUND BALANCES									
Liabilities									
Accounts payable	\$	2,121	\$ 117	\$	-	\$	275,041	\$	-
Accrued salaries and benefits		117,984	-		-		-		-
Interest payable		-	-		-		-		-
Due to other funds		-	-		-		-		-
Unearned revenues			 						
Total Liabilities		120,105	 117				275,041		
Fund Balances									
Restricted		-	-		602,571		-		297
Committed		100	-		-		52,652		-
Assigned		251,316	14,308		-		-		-
Unassigned			 						
Total Fund Balances		251,416	 14,308		602,571		52,652		297
Total Liabilities and Fund Balances	\$	371,521	\$ 14,425	\$	602,571	\$	327,693	\$	297

ļ	Inmate Health Program F		California Children & Families First		& HR 2389		Used Oil Recycling Grant		Community Services Council		Other Health Services		Library Donations		District Attorney Forfeiture Funds	
\$	32,961 117 -	\$	512,443 29,727 2,048	\$	3,255 - 12 -	\$	44,276 - 160 -	\$	1,944 22 111	\$	- - 352 -	\$	14,786 - 57 -	\$	11,317 - 57	
			<u>-</u>				<u>-</u>									
\$	33,078	\$	544,218	\$	3,267	\$	44,436	\$	2,077	\$	352	\$	14,843	\$	11,374	
\$	17,324 11,287 815	\$	15,993 - -	\$	-	\$	12,779 - -	\$	2,055	\$	- -	\$	-	\$	-	
	28,389		1,040 -		<u>-</u>		-		-		190 -		-		<u>-</u>	
	57,815		17,033				12,779		2,055		190					
	- - -		527,085 100 -		3,267 - -		31,657 - -		22 - -		- 162 -		- 14,843 -		11,374 - -	
	(24,737)		527,185		3,267		31,657		22		 162		14,843		11,374	
\$	33,078	\$	544,218	\$	3,267	\$	44,436	\$	2,077	\$	352	\$	14,843	\$	11,374	

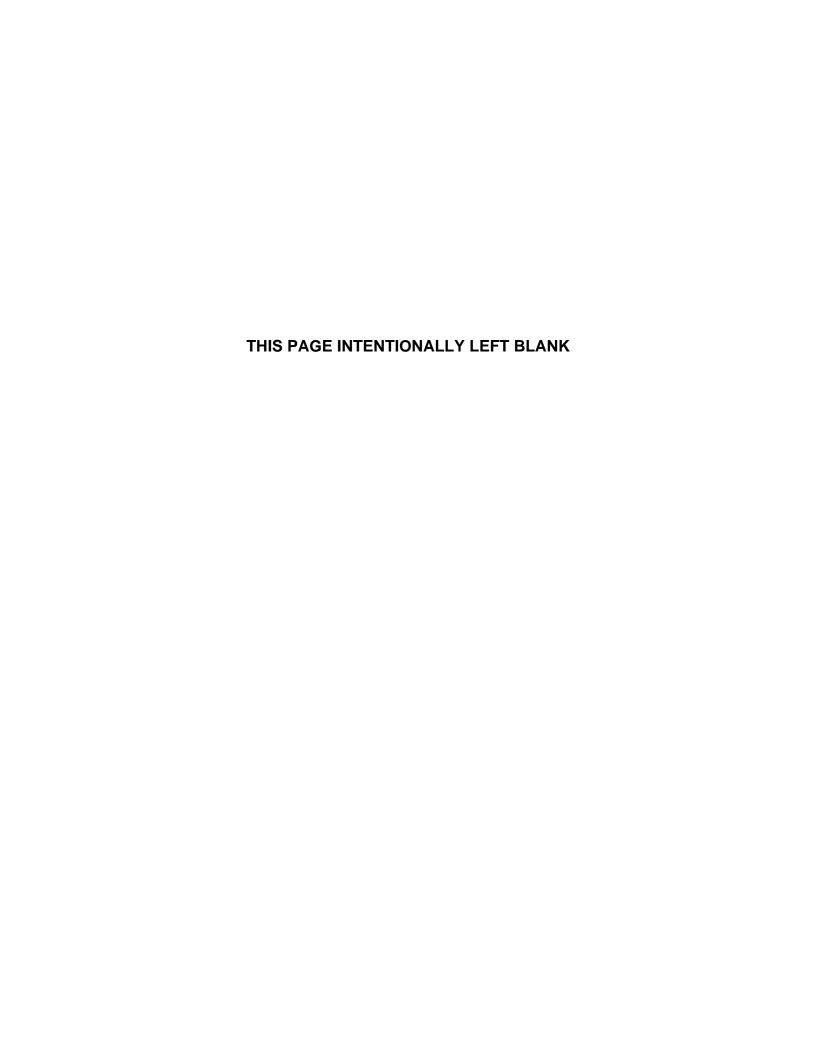
	Domestic Violence		Battered Womens Shelter		Probation Challenge Award Fund		Juvenile Hall Donations		Animal Control Facility	
ASSETS Cash and investments	\$	4.712	\$	43.365	\$	224	\$	416	\$	36.936
Accounts receivable	Ψ	98	Ψ	206	Ψ	-	Ψ	- 10	Ψ	90
Interest receivable		14		158		1		2		134
Taxes receivable		-		-		-		-		-
Due from other funds		-		_		_		_		-
Loans receivable										
Total Assets	\$	4,824	\$	43,729	\$	225	\$	418	\$	37,160
LIABILITIES AND FUND BALANCES										
Liabilities										
Accounts payable	\$	2,646	\$	-	\$	-	\$	-	\$	392
Accrued salaries and benefits		-		-		-		-		-
Interest payable		-		-		-		-		-
Due to other funds		-		-		-		-		-
Unearned revenues										
Total Liabilities		2,646								392
Fund Balances										
Restricted		2,178		43,729		225		-		-
Committed		-		-		-		418		36,768
Assigned		-		-		-		-		-
Unassigned										
Total Fund Balances		2,178		43,729		225		418		36,768
<b>Total Liabilities and Fund Balances</b>	\$	4,824	\$	43,729	\$	225	\$	418	\$	37,160

Op	Citizens otions for blic Safety Grant	Comp	Airport Comprehensive Land Use Plan		Flood Control and Water Conservation District		Air Pollution Control District		tion Air Pollution Local trol PM 2.5 Transportation		sportation	Tran	egional sportation lanning	Age Gove	skiyou ency for ernmental ntities
\$	6,783 118,853 263 - -	\$	3,491 - 13 - -	\$	820,709 17,605 3,158 63	\$	28,276 508 40 -	\$	29,201 - 112 - -	\$	65,121 - 234 - -	\$	56,767 41,216 156 - -	\$	5,970 - 23 - -
\$	125,899	\$	3,504	\$	841,535	\$	28,824	\$	29,313	\$	65,355	\$	98,139	\$	5,993
\$	107,226	\$	- -	\$	34,459 -	\$	1,007	\$	83	\$	29,743	\$	12,082	\$	- -
	- - -		- - -		15,736 -		- - -		- - -		- - -		79,684 -		2,238 -
	107,226		-		50,195		1,007		83		29,743		91,766		2,238
	18,673 - - -		3,504 - - -		791,340 - - -		27,767 50 -		29,230 - - -		- - 35,612 -		6,373 - - -		3,755 -
	18,673		3,504		791,340		27,817		29,230		35,612		6,373		3,755
\$	125,899	\$	3,504	\$	841,535	\$	28,824	\$	29,313	\$	65,355	\$	98,139	\$	5,993

	County Service Area #3		5	County Service Area #4	5	County Service Area #5	CSA # 5 Special Assessment		Hammond Ranch Fire Zone	
<u>ASSETS</u>										
Cash and investments	\$	276,479	\$	12,308	\$	12,649	\$	105,590	\$	50,871
Accounts receivable		283		-				79		61
Interest receivable		1,023		45		47		467		211
Taxes receivable		96		1		-		-		-
Due from other funds		-		-		-		-		-
Loans receivable										
Total Assets	\$	277,881	\$	12,354	\$	12,696	\$	106,136	\$	51,143
LIABILITIES AND FUND BALANCES										
Liabilities										
Accounts payable	\$	55,996	\$	-	\$	5	\$	-	\$	1,146
Accrued salaries and benefits		-		-		-		-		-
Interest payable		-		-		-		-		
Due to other funds		-		-		-		-		-
Unearned revenues					-				-	
Total Liabilities		55,996				5				1,146
Fund Balances										
Restricted		221,885		12,354		12,691		106,136		49,997
Committed						-,00		-		-
Assigned		_		_		_		_		_
Unassigned										
Total Fund Balances		221,885		12,354		12,691		106,136		49,997
Total Liabilities and Fund Balances	\$	277,881	\$	12,354	\$	12,696	\$	106,136	\$	51,143

cCloud re Zone	t. Shasta Vista ire Zone	,	leasant Valley re Zone	CDBG EDBG Grants Grants		STBG Grants			HOME Grants		EDEF Grants	
\$ 43,065 488 156	\$ 33,791 323 136	\$	29,771 489 109	\$ 482,082 - 1,526	\$	25 - 385		\$ 23,757 - 296		51 - -	\$	54,176 31,021 94
 - -	- - -		- -	 539 1,456,422		- 472,620		- 1,211,392		- - 307,000		- - -
\$ 43,709	\$ 34,250	\$	30,369	\$ 1,940,569	\$	473,030	\$	1,235,445	\$	307,051	\$	85,291
\$ 41,130	\$ 136	\$	724 -	\$ -	\$	- -	\$	-	\$	-	\$	217,244
 - - -	- - -		- - -	 - 103 1,077,386		385 472,620		- 51 1,108,435		307,000		- - -
 41,130	 136		724	 1,077,489		473,005		1,108,486		307,000		217,244
2,579	34,114		29,645	835,397		25		126,959		51		645
 <u>-</u>	 <u>-</u>		<u>-</u>	 27,683		-		<u>-</u>		- -		- (132,598)
 2,579	 34,114		29,645	 863,080		25	_	126,959		51	_	(131,953)
\$ 43,709	\$ 34,250	\$	30,369	\$ 1,940,569	\$	473,030	\$	1,235,445	\$	307,051	\$	85,291

	Y	l Moyer ear 10 Pollution	Totals
<u>ASSETS</u>			 
Cash and investments	\$	183	\$ 4,139,673
Accounts receivable		-	260,645
Interest receivable		245	16,858
Taxes receivable		-	273
Due from other funds		-	539
Loans receivable			 3,447,434
Total Assets	\$	428	\$ 7,865,422
	-		 
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$	-	\$ 829,449
Accrued salaries and benefits		-	129,271
Interest payable		-	815
Due to other funds		-	127,816
Unearned revenues			 2,965,441
Total Liabilities			 4,052,792
Fund Balances			
Restricted		428	3,532,198
Committed		-	105,093
Assigned		-	332,674
Unassigned			 (157,335)
Total Fund Balances		428	 3,812,630
Total Liabilities and Fund Balances	\$	428	\$ 7,865,422



# COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR SPECIAL REVENUE FUNDS FOR THE YEAR ENDED JUNE 30, 2010

	Dept of Child Support Services	Fish and Game	Geothermal	General County Fire	Planning Projects
<u>REVENUES</u>					
Taxes	\$ -	\$ -	\$ -	\$ 139,489	\$ -
License and permits	-	-	-	-	-
Fines and forfeitures	7.055	3,571	- 40.050	- 50 112	-
Use of money and property Intergovernmental	7,955 2,824,647	241	10,858 46,682	59,113 2,338	5
Charges for services	2,024,047	-	40,002	15,660	8,885
Other revenues	346	_	_	5,397	-
Total Revenues	2,832,948	3,812	57,540	221,997	8,890
Total Nevenues	2,002,010	0,012	01,010	221,001	0,000
EXPENDITURES Current:					
Public protection	2,795,169	7,692	-	631,080	-
Health and welfare	-	-	-	-	-
Public assistance	-	-	-	-	-
Education Public ways and facilities	-	-	-	-	- 8,523
Debt service	-	-	-	-	0,323
Principal	_	_	_	_	_
Interest and other charges	-	-	-	-	-
Capital outlay					
Total Expenditures	2,795,169	7,692		631,080	8,523
Excess of Revenues Over (Under)					
Expenditures	37,779	(3,880)	57,540	(409,083)	367
OTHER FINANCING SOURCES (USES) Transfers in				149,086	
Transfers out	(122,257)	-	-	(62)	-
	(-=,,-)			(/	
Total Other Financing Sources (Uses)	(122,257)			149,024	
Net Change in Fund Balances	(84,478)	(3,880)	57,540	(260,059)	367
Fund Balances - Beginning	335,894	18,188	545,031	312,711	(70)
Prior Period Adjustment					
Fund Balances - Beginning, Restated	335,894	18,188	545,031	312,711	(70)
Fund Balances - Ending	\$ 251,416	\$ 14,308	\$ 602,571	\$ 52,652	\$ 297

Inmate Health Program	California Children & Families First	HR 2389 Title III	Used Oil Community Recycling Services Grant Council		Other Health Services	Library Donations	District Attorney Forfeiture Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(1,730) - 1,039 1,592	8,990 590,735 - 53	(5,492) 543,122	542 5,500 84 1,266	117 87,112 5,332	371 - - - 44,873	286 - - 4,485	7,020 (213) - -
901	599,778	537,630	7,392	92,561	45,244	4,771	6,807
- 439,699 - - -	652,316 - - -	- - - -	55,002 - - - -	95,126 - -	58,000 - - -	- - - 3,441 -	- - - -
-	-	-	-	-	-	-	-
 439,699	652,316		55,002	95,126	58,000	3,441	
 (438,798)	(52,538)	537,630	(47,610)	(2,565)	(12,756)	1,330	6,807
329,674 (104,188)	(2,786)	- (543,122)	- (1,244)	<u> </u>	(44,873)	<u> </u>	(56,000)
 225,486	(2,786)	(543,122)	(1,244)		(44,873)		(56,000)
 (213,312)	(55,324)	(5,492)	(48,854)	(2,565)	(57,629)	1,330	(49,193)
188,575	582,509	8,759	80,511	2,587	57,791	13,513	60,567
 _							
 188,575	582,509	8,759	80,511	2,587	57,791	13,513	60,567
\$ (24,737)	\$ 527,185	\$ 3,267	\$ 31,657	\$ 22	\$ 162	\$ 14,843	\$ 11,374

# COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR SPECIAL REVENUE FUNDS FOR THE YEAR ENDED JUNE 30, 2010

	Domestic Violence		W	attered omens shelter	Chal Av	oation lenge vard und	H	/enile Hall ations	C	animal control acility
REVENUES			_				_		_	
Taxes	\$	-	\$	-	\$	-	\$	-	\$	-
License and permits		-		-		-		-		-
Fines and forfeitures		1,743		4,351		-		-		700
Use of money and property		70		788		5		8		729
Intergovernmental		-		-		-		-		-
Charges for services		6,049		-		-		-		14,581
Other revenues										
Total Revenues		7,862		5,139		5		8		15,310
EXPENDITURES Current:										
Public protection		7,232		_		_		_		6,065
Health and welfare		- ,202		_		_		_		-
Public assistance		_		_		_		_		_
Education		_		_		_		_		_
Public ways and facilities		_		_		_		_		_
Debt service										
Principal		_		_		_		_		_
Interest and other charges		_		_		_		_		_
Capital outlay		_		_		_		_		_
Suprial Sullay					-					_
Total Expenditures		7,232								6,065
Excess of Revenues Over (Under)										
Expenditures		630		5,139		5		8		9,245
OTHER FINANCING SOURCES (USES)		_		<u> </u>				_		· · · · · ·
Transfers in		-		-		-		-		-
Transfers out		(484)								(4,800)
Total Other Financing Sources (Uses)		(484)								(4,800)
Net Change in Fund Balances		146		5,139		5		8		4,445
Fund Balances - Beginning		2,032		38,590		220		410		32,323
Prior period adjustment						_				
Fund Balances - Beginning, Restated		2,032		38,590		220		410		32,323
Fund Balances - Ending	\$	2,178	\$	43,729	\$	225	\$	418	\$	36,768

Citizens Options for Public Safety Grant	Airport Comprehensive Land Use Plan	Flood Control and Water Conservation District	Air Pollution Control District	Air Pollution PM 2.5 Grant	Local Transportation Administration	Regional Transportation Planning	Siskiyou Agency for Governmental Entities
\$ - - 1,521 1,121,838 - -	\$ - - 64 - -	\$ 85,977 67,552 - 188,656 1,364 2,338	\$ - 32,759 2,000 41 71,187 - 10	\$ - - 669 13,100 - -	\$ 91,728 - - 1,319 - - -	\$ - - 1,410 223,456 - -	\$ - - 109 - - -
1,123,359	64	345,887	105,997	13,769	93,047	224,866	109
1,000,669 - - - - - -	- - - - - -	167,405 - - - - - 200	12,746 - - - - - -	3,825 - - - - - - 2,657	- - - 85,460 - - -	- - - 173,252 - - -	26 - - - - - -
1,000,669	<del>-</del>	167,605	12,746	6,482	85,460	173,252	26
122,690	64_	178,282	93,251	7,287	7,587	51,614	83
847 (216,095)		81 (100,775)	169,866 (161,368)	<u> </u>	(6,019)	(2,625)	(2,314)
(215,248)	<u> </u>	(100,694)	8,498		(6,019)	(2,625)	(2,314)
(92,558)	64	77,588	101,749	7,287	1,568	48,989	(2,231)
111,231	3,440	713,752	(73,932)	21,943	34,044	(42,616)	5,986
111,231	3,440	713,752	(73,932)	21,943	34,044	(42,616)	5,986
\$ 18,673	\$ 3,504	\$ 791,340	\$ 27,817	\$ 29,230	\$ 35,612	\$ 6,373	\$ 3,755

# COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR SPECIAL REVENUE FUNDS FOR THE YEAR ENDED JUNE 30, 2010

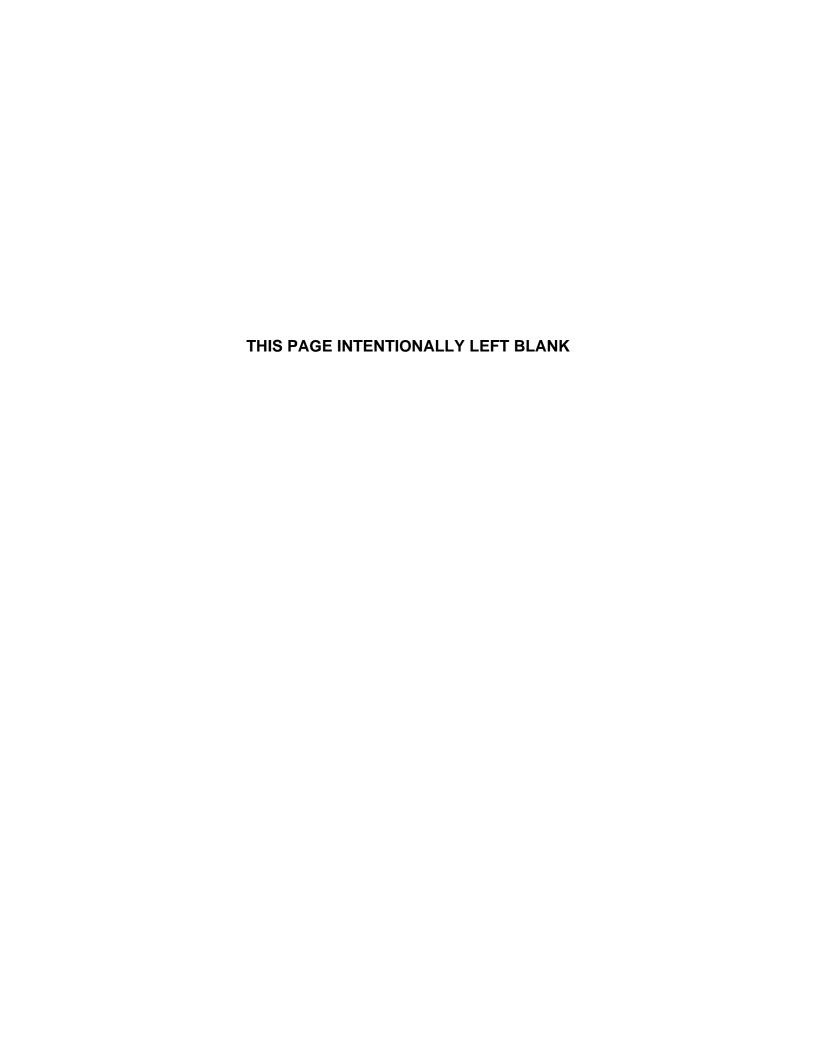
	5	County Service Area #3	S	ounty ervice rea #4	S	County Service Area #5	;	CSA # 5 Special sessment	1	ammond Ranch re Zone
<u>REVENUES</u>										
Taxes	\$	114,157	\$	1,611	\$	-	\$	-	\$	-
License and permits		-		-		-		-		-
Fines and forfeitures						-				
Use of money and property		4,540		217		233		2,288		1,051
Intergovernmental		2,018		29						15,945
Charges for services		31,332		-		1,150		5,819		57,926
Other revenues						459				407
Total Revenues		152,047		1,857		1,842		8,107		75,329
EXPENDITURES  Current:										
Public protection		_		1,968						57,481
Health and welfare		127,933		1,900		587		_		57,401
Public assistance		127,933		_		307		_		
Education		_		_		_		_		
Public ways and facilities				_						
Debt service		_		_		_		_		_
Principal		_		_		_		2,700		_
Interest and other charges		_		_		_		8,651		_
Capital outlay		53,637		_		_		-		_
Suprial Sullay		00,001								
Total Expenditures		181,570		1,968		587		11,351		57,481
Excess of Revenues Over (Under) Expenditures		(29,523)		(111)		1,255		(3,244)		17,848
Experiences		(20,020)		(111)		1,200		(0,244)		17,040
OTHER FINANCING SOURCES (USES)										
Transfers in		_		_		_		_		_
Transfers out		-		-		-		-		-
								,		
Total Other Financing Sources (Uses)										
Net Change in Fund Balances		(29,523)		(111)		1,255		(3,244)		17,848
Fund Balances - Beginning		251,408		12,465		11,436		109,380		32,149
Prior period adjustment										
Fund Balances - Beginning, Restated		251,408		12,465		11,436		109,380		32,149
Fund Balances - Ending	\$	221,885	\$	12,354	\$	12,691	\$	106,136	\$	49,997

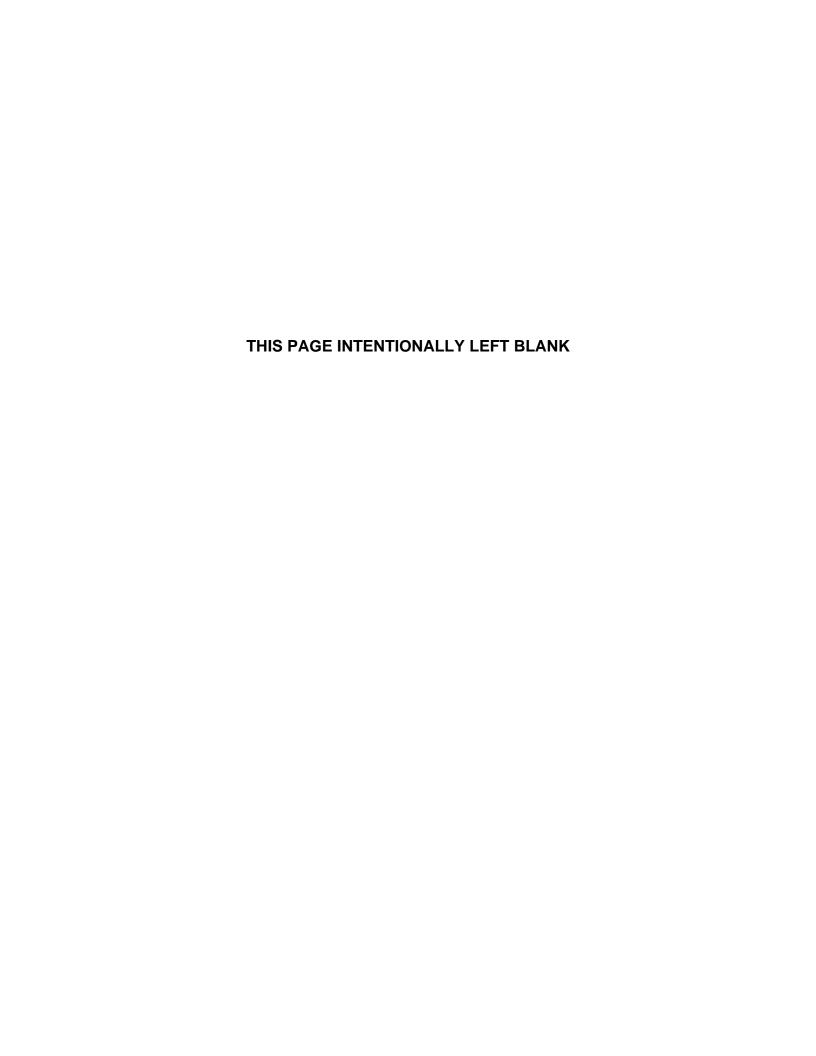
McClou Fire Zoi		,	Shasta Vista e Zone	1	easant /alley re Zone		CDBG Grants	EDBG Grants	 STBG Grants	HOME Grants	 EDEF Grants
\$	-	\$	-	\$	-	\$	-	\$ -	\$ -	\$ -	\$ -
	512 - 713		934 1,243 18,623 244		551 - 17,971		- 61,945 - -	- 110,466 142,980 -	17,410 301,058 -	- 776 - -	- 669 123,472 -
44,	225		21,044		18,522		61,945	253,446	318,468	 776	124,141
82,	947 -		17,327 -		9,239		<del>-</del>	<del>-</del>	- -	<del>-</del>	<del>-</del> -
	- - -		- -		- - -		66,660 - -	191,400 - -	343,218 - -	14,566 - -	262,684 - -
	- - -		- 838		- - -		- - -	- - -	- - -	- - -	 - - -
82,	947		18,165		9,239		66,660	 191,400	343,218	 14,566	 262,684
(38,	722)		2,879		9,283	_	(4,715)	 62,046	 (24,750)	 (13,790)	 (138,543)
	<u>-</u>		- -		- -		158,230 (48,672)	 - (115,740)	 22,550 (81,803)	 - -	 - -
							109,558	 (115,740)	 (59,253)	 	 
(38,	722)		2,879		9,283		104,843	 (53,694)	(84,003)	 (13,790)	(138,543)
41,	301		31,235		20,362		379,201	53,719	108,005	13,841	6,590
							379,036	 	102,957	 	
41,	301		31,235		20,362		758,237	 53,719	 210,962	 13,841	 6,590
\$ 2,	579	\$	34,114	\$	29,645	\$	863,080	\$ 25	\$ 126,959	\$ 51	\$ (131,953)

# COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR SPECIAL REVENUE FUNDS FOR THE YEAR ENDED JUNE 30, 2010

	Carl Moye Year 10 Air Pollution	on Totals  - \$ 432,96 - 100,3 - 18,66 - 8 478,41 0 6,188,00 - 230,51 - 59,11  - 4,839,36 0 1,365,3 0 1,365,3 - 973,66 - 267,20 - 2,76 - 8,66 - 57,33 - (1,615,22 - (784,88) - 4,125,06	Totals
REVENUES	\$		¢ 422.062
Taxes License and permits	Ф	-	
Fines and forfeitures		_	,
Use of money and property	4	28	478,452
Intergovernmental	70,2		6,188,036
Charges for services	-,	_	230,502
Other revenues		<u> </u>	59,132
Total Revenues	70,6	<u> 88</u>	7,508,080
<u>EXPENDITURES</u>			
Current:			
Public protection	70.0	-	
Health and welfare Public assistance	70,2		
Education		-	,
Public ways and facilities		_	
Debt service		_	201,200
Principal		_	2,700
Interest and other charges		_	8,651
Capital outlay		<u>-</u>	57,332
Total Expenditures	70,2	10	7,517,631
Excess of Revenues Over (Under) Expenditures	4	28	(9,551)
OTHER FINANCING SOURCES (USES)			
Transfers in		-	830,334
Transfers out		<u> </u>	(1,615,227)
Total Other Financing Sources (Uses)		<u>-</u> _	(784,893)
Net Change in Fund Balances	4	28	(794,444)
Fund Balances - Beginning		-	4,125,081
Prior period adjustment		<u>-</u> -	481,993
Fund Balances - Beginning, Restated		<u>-</u> _	4,607,074
Fund Balances - Ending	\$ 4	28	\$ 3,812,630







#### COMBINING BALANCE SHEET NONMAJOR CAPITAL PROJECTS FUNDS JUNE 30, 2010

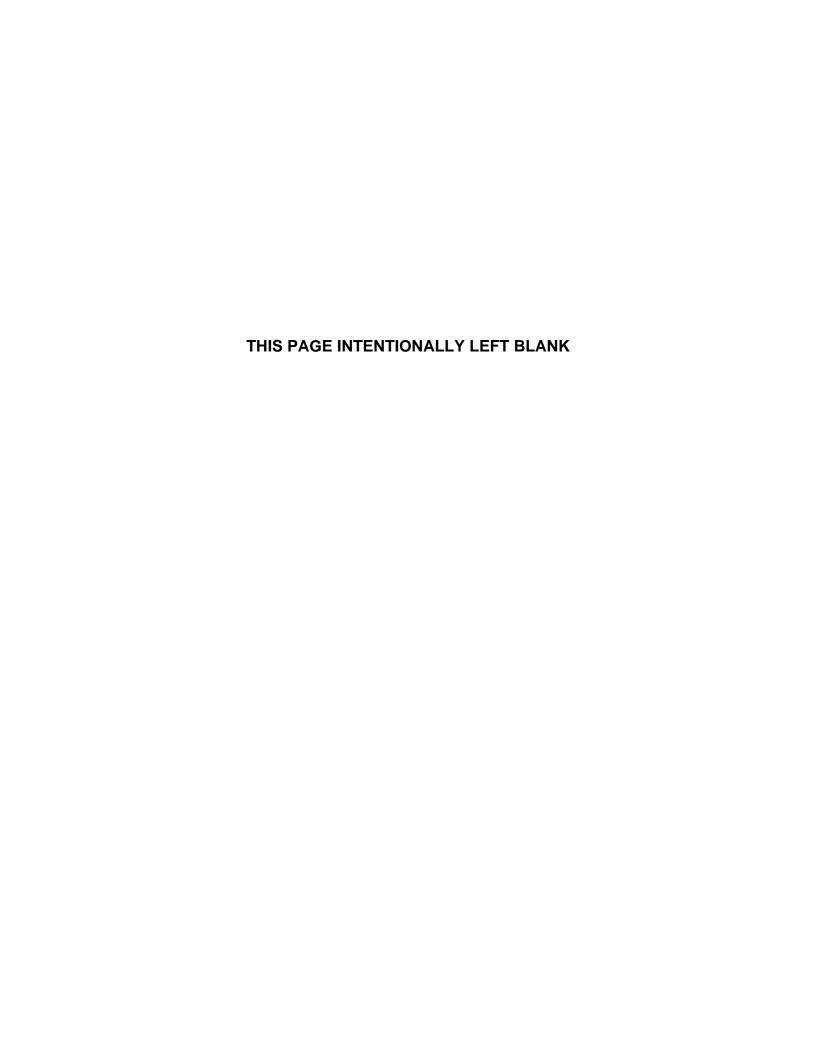
	cumulated Capital Outlay	Criminal Justice nstruction	_	ourthouse onstruction	Sewer/ Water Project
ASSETS  Cash and investments  Accounts receivable Interest receivable Loans receivable	\$ 935,344 - 3,498 -	\$ 260,336 16,138 907	\$	4,330,031 4,932 16,059	\$ 214,110 - - 29,254
Total Assets	\$ 938,842	\$ 277,381	\$	4,351,022	\$ 243,364
LIABILITIES AND FUND BALANCES Liabilities Accounts payable Interest payable Due to other funds	\$ - - 93	\$ - - 33,028	\$	- - -	\$ - - -
Total Liabilities	 93	 33,028			 <u>-</u>
Fund Balances Restricted Unassigned	 938,749	244,353 -		4,351,022 -	 243,364
Total Fund Balances	 938,749	 244,353		4,351,022	 243,364
Total Liabilities and Fund Balances	\$ 938,842	\$ 277,381	\$	4,351,022	\$ 243,364

Lake iskiyou Trail Project	Carrick Water Project	gon Creek Bridge cConnell	Wa	gon Creek Bridge ARRA	Totals				
\$ 3,046 - -	\$ 20,133	\$ 603,386 - 2,262 -	\$	\$ - 95,974 - -		6,363,340 120,090 22,726 29,254			
\$ 3,046	\$ 20,133	\$ 605,648	\$	95,974	\$	6,535,410			
\$ 47,896 70	\$ -	\$ - -	\$	219,680 592	\$	267,576 662			
 25,405		 2,970		401,097		462,593			
 73,371	 	 2,970	_	621,369		730,831			
 (70,325)	 20,133	 602,678		- (525,395)		6,400,299 (595,720)			
(70,325)	20,133	602,678		(525,395)		5,804,579			
\$ 3,046	\$ 20,133	\$ 605,648	\$	95,974	\$	6,535,410			

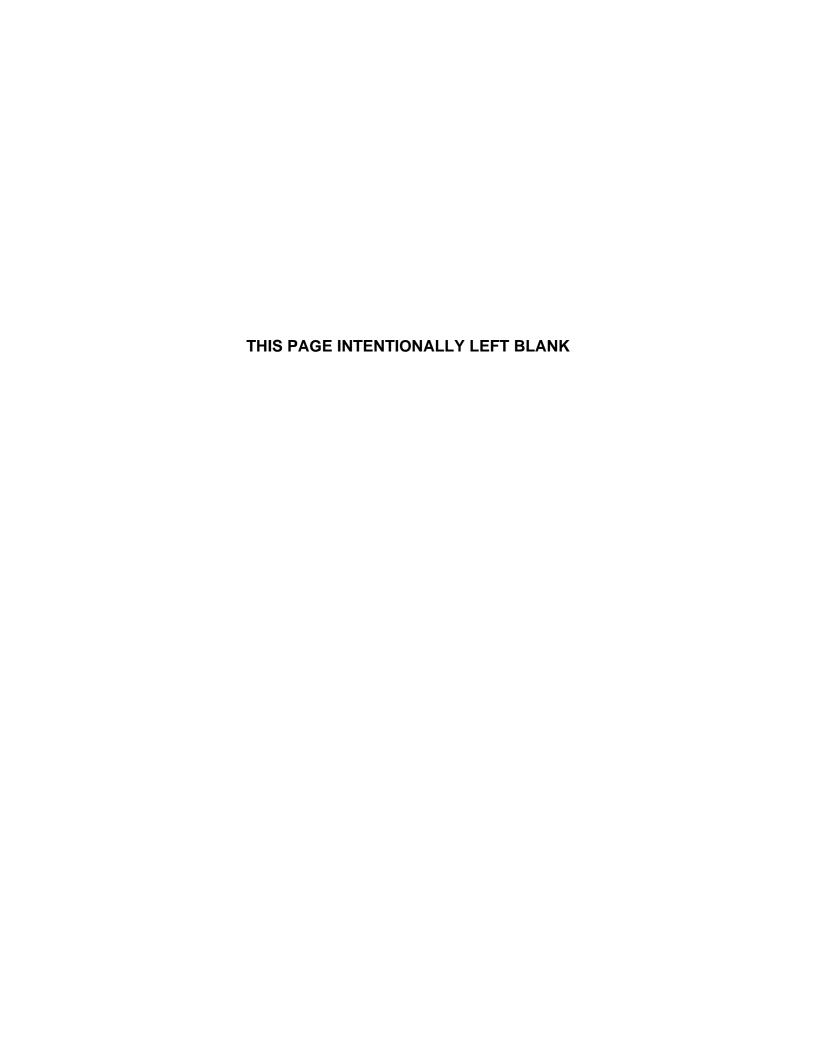
# COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR CAPITAL PROJECTS FUNDS FOR THE YEAR ENDED JUNE 30, 2010

	Accumulated Capital Outlay	Criminal Justice Construction	Courthouse Construction	Sewer/ Water Project
REVENUES Fines and forfeitures Use of money and property	\$ - 16,610	\$ 190,017 5,421	\$ 119,524 78,968	\$ - 1,730
Intergovernmental Other revenue	224,371	<u>-</u>		247,914
Total Revenues	240,981	195,438	198,492	249,644
EXPENDITURES Capital outlay	157,491			
Total Expenditures	157,491			
Excess of Revenues Over (Under) Expenditures	83,490	195,438	198,492	249,644
OTHER FINANCING SOURCES (USES) Transfers out	(250,809)	(170,933)		(189,493)
Total Other Financing Sources (Uses)	(250,809)	(170,933)		(189,493)
Net Change in Fund Balances	(167,319)	24,505	198,492	60,151
Fund Balances - Beginning	1,106,068	219,848	4,152,530	183,213
Fund Balances - Ending	\$ 938,749	\$ 244,353	\$ 4,351,022	\$ 243,364

Lake iskiyou Trail Project	1	Carrick Water Project	gon Creek Bridge cConnell	Wa	gon Creek Bridge ARRA	Totals			
\$ - 325	\$	- (50)	\$ - 11,254	\$	- (4,789)	\$ 309,54 109,4			
 37,161 1,005		-	 600,000		152,067 -		189,228 1,073,290		
 38,491		(50)	 611,254		147,278		1,681,528		
 60,149			 2,755		598,164		818,559		
 60,149			 2,755		598,164		818,559		
 (21,658)		(50)	 608,499		(450,886)		862,969		
 (21,339)			(5,821)		(74,509)		(712,904)		
(21,339)			(5,821)		(74,509)		(712,904)		
(42,997)		(50)	602,678		(525,395)		150,065		
(27,328)		20,183	 				5,654,514		
\$ (70,325)	\$	20,133	\$ 602,678	\$	(525,395)	\$	5,804,579		







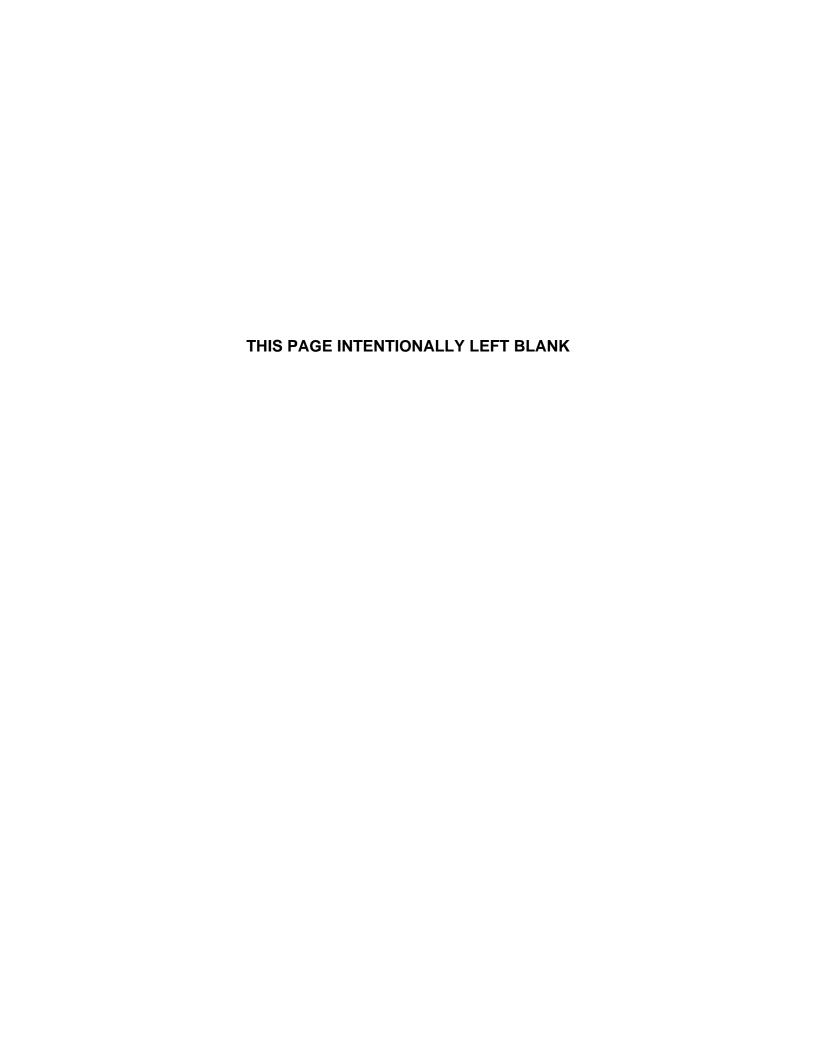
#### COMBINING BALANCE SHEET NONMAJOR DEBT SERVICE FUNDS JUNE 30, 2010

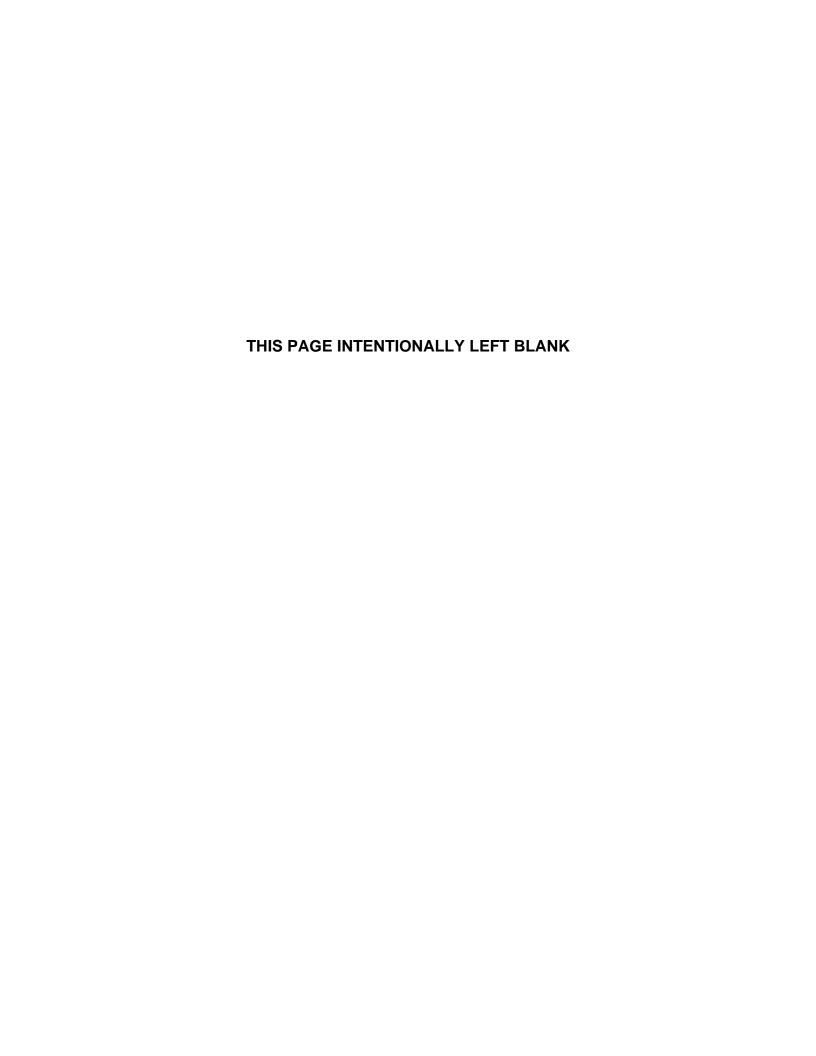
	lb	venile Hall ank Debt Service	0	ension bligation ands 2007	Totals
ASSETS  Cash and investments Accounts receivable Interest receivable	\$	124,574 - 446	\$	753,815 65,624 3,340	\$ 878,389 65,624 3,786
Total Assets	\$	125,020	\$	822,779	\$ 947,799
LIABILITIES AND FUND BALANCES Liabilities Accounts payable	\$	<u>-</u>	_\$	<u>-</u>	\$ <u>-</u>
Total Liabilities				-	 <u>-</u>
Fund Balances Restricted		125,020		822,779	 947,799
Total Fund Balances		125,020		822,779	 947,799
Total Liabilities and Fund Balances	\$	125,020	\$	822,779	\$ 947,799

# COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR DEBT SERVICE FUNDS FOR THE YEAR ENDED JUNE 30, 2010

	Juvenile Hall Ibank Debt Service         Pension Obligation Bonds 2007           \$ 2,361         \$ 18,798 \$ 1,419,127           2,361         \$ 1,437,925           \$ 2,361         \$ 1,437,925           \$ 1,400         \$ 46,044 \$ 130,000 \$ 999,485           \$ 109,710         \$ 1,130,585           \$ (107,349)         \$ 307,340           \$ 109,771         -           \$ 2,422         \$ 307,340           \$ 122,598         \$ 515,439           \$ 125,020         \$ 822,779           \$ \$ 125,020         \$ 822,779		Totals			
REVENUES  Use of money and property Other revenues	\$	2,361	-	,	\$	21,159 1,419,127
Total Revenues		2,361		1,437,925		1,440,286
EXPENDITURES Current:						
General government		5,489		1,100		6,589
Debt service:		40.044		420.000		470.044
Principal Interest and other charges		,				176,044 1,057,662
morest and other sharges		00,177		000,400		1,007,002
Total Expenditures		109,710		1,130,585		1,240,295
Excess of Revenues Over (Under) Expenditures		(107,349)		307,340	-	199,991
OTHER FINANCING SOURCES (USES)						
Transfers in		109,771		-		109,771
Total Other Financing Sources (Uses)		109,771				109,771
Net Change in Fund Balances		2,422		307,340		309,762
Fund Balances - Beginning		122,598		515,439		638,037
Fund Balances - Ending	\$	125,020	\$	822,779	\$	947,799







### COUNTY OF SISKIYOU, CALIFORNIA COMBINING STATEMENT OF NET ASSETS INTERNAL SERVICE FUNDS JUNE 30, 2010

	Fuel Services	Communi- cations
<u>ASSETS</u>		
Current Assets:		
Cash and investments	\$ -	\$ 175,824
Accounts receivable	57,374	28,799
Interest receivable	-	632
Inventory	34,884	<del>-</del>
Total Current Assets	92,258	205,255
Noncurrent Assets:		
Capital assets:		
Depreciable, net	12,818	
Total capital assets	12,818	-
Total Noncurrent Assets	12,818	
Total Assets	105,076	205,255
LIABILITIES		
Current Liabilities:		
Accounts payable	70,532	3,429
Accrued salaries and benefits	770	13,653
Interest payable	649	-
Due to other funds	185,135	-
Compensated absences payable	1,017	7,504
Estimated claims liability		
Total Current Liabilities	258,103	24,586
Noncurrent Liabilities:		
Compensated absences payable	414	6,840
Net OPEB obligation	62	18,431
Total Noncurrent Liabilities	476	25,271
Total Liabilities	258,579	49,857
NET ASSETS		
Invested in capital assets	12,818	-
Unrestricted	(166,321)	155,398
Total Net Assets	\$ (153,503)	\$ 155,398

Risk Management

				t	<i>l</i> lanagemen	KISK I	F			
Totals  1,587,393 116,088 4,977 34,884 1,743,342  19,045 19,045 19,045 1,762,387  84,402 14,423 3,399 904,148 8,521 75,998 1,090,891  7,254 18,493 25,747		elf Fund Dental surance	ision urance		Vorkers' npensation		mployment	Une	Liability	
116,088 4,977	\$	356,694 27,449 1,307	\$ 87,998 2,466 300	\$	966,877 - 2,738 -	\$	- - - -	\$	- - - -	\$
1,743,342		385,450	90,764		969,615					
19,045		- - -	- - -		<u>-</u> - -		- - -		6,227 6,227 6,227	
1,762,387		385,450	 90,764		969,615				6,227	
14,423 3,399 904,148 8,521		- - - - -	- - - - -		114 - - - - -		- 206 117,714 - 75,998		10,327 - 2,544 601,299 -	
1,090,891		<u>-</u>	 -		114		193,918		614,170	
		- -	 <u>-</u>		- -		<u>-</u>		<u>-</u>	
25,747	_	<u> </u>	 -		<u>-</u>		<u>-</u>			
1,116,638		-	 -		114		193,918		614,170	
19,045 626,704		385,450	 90,764		969,501		- (193,918)		6,227 (614,170)	
645,749	\$	385,450	\$ 90,764	\$	969,501	\$	(193,918)	\$	(607,943)	\$

# COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS INTERNAL SERVICE FUNDS FOR THE YEAR ENDED JUNE 30, 2010

	Fuel Services	Communi- cations
OPERATING REVENUES		
Charges for services	\$	\$ 443,004
Other revenues	614,101	24
Total Operating Revenues	614,101	443,028
OPERATING EXPENSES		
Salaries and benefits	17,663	263,964
Services and supplies	561,993	129,026
Depreciation	1,424	-
Total Operating Expenses	581,080	392,990
Operating Income (Loss)	33,021	50,038
NON-OPERATING REVENUE (EXPENSES)		
Interest income	(3,210)	4,310
Total Non-Operating Revenue (Expenses)	(3,210)	4,310
Income (Loss) Before Contributions and Transfers	29,811	54,348
Capital contribution Transfers In	6,411	-
Transiers in	<del></del>	
Change in Net Assets	36,222	54,348
Total Net Assets - Beginning	(189,725)	101,050
Total Net Assets - Ending	\$ (153,503)	\$ 155,398

**Risk Management** 

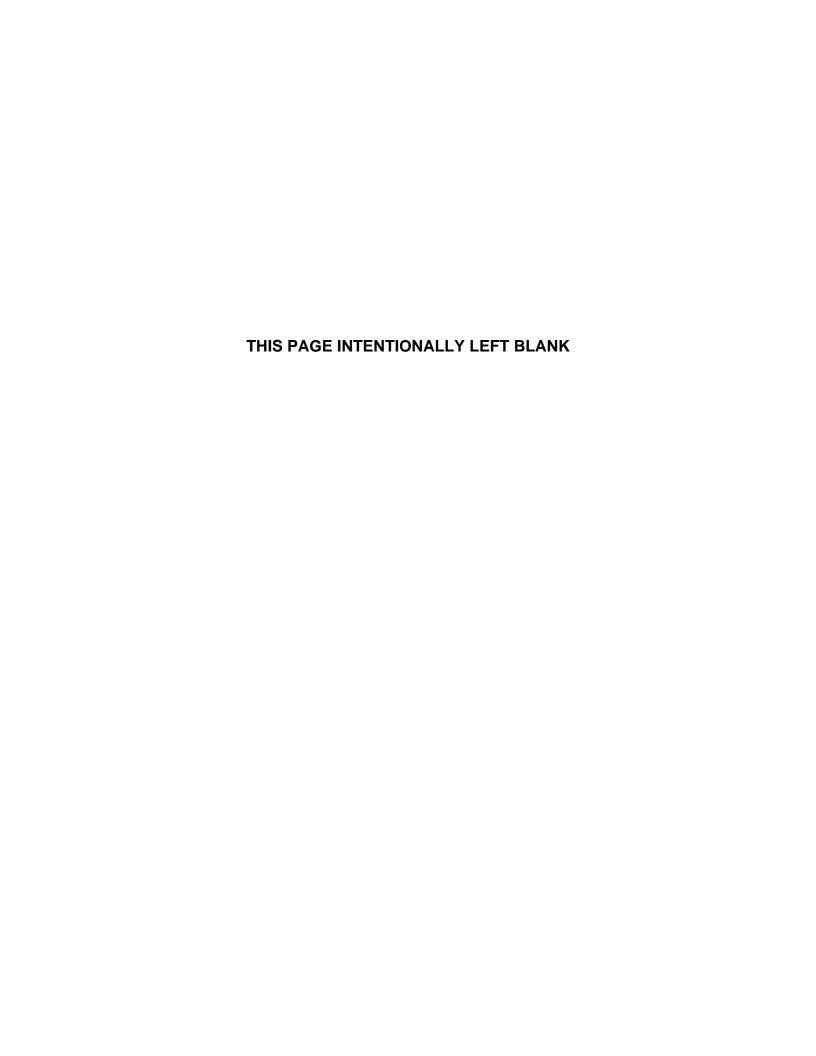
L	_iability		Workers' Compensation	Vision Insurance	Self Fund Dental Insurance	Totals
\$	- 23,542	\$ - -	\$ - 126,883	\$ 118,462 -	\$ 735,317 -	\$ 1,296,783 764,550
	23,542		126,883	118,462	735,317	2,061,333
	- - 1,133	329,733 	- - -	91,747 	- 681,450 -	281,627 1,793,949 2,557
	1,133	329,733		91,747	681,450	2,078,133
	22,409	(329,733)	126,883	26,715	53,867	(16,800)
	(16,989)	(1,536)	3,931	1,556	7,086	(4,852)
	(16,989)	(1,536)	3,931	1,556	7,086	(4,852)
	5,420	(331,269)	130,814	28,271	60,953	(21,652)
	120,000					6,411 120,000
	125,420	(331,269)	130,814	28,271	60,953	104,759
	(733,363)	137,351	838,687	62,493	324,497	540,990
\$	(607,943)	\$ (193,918)	\$ 969,501	\$ 90,764	\$ 385,450	\$ 645,749

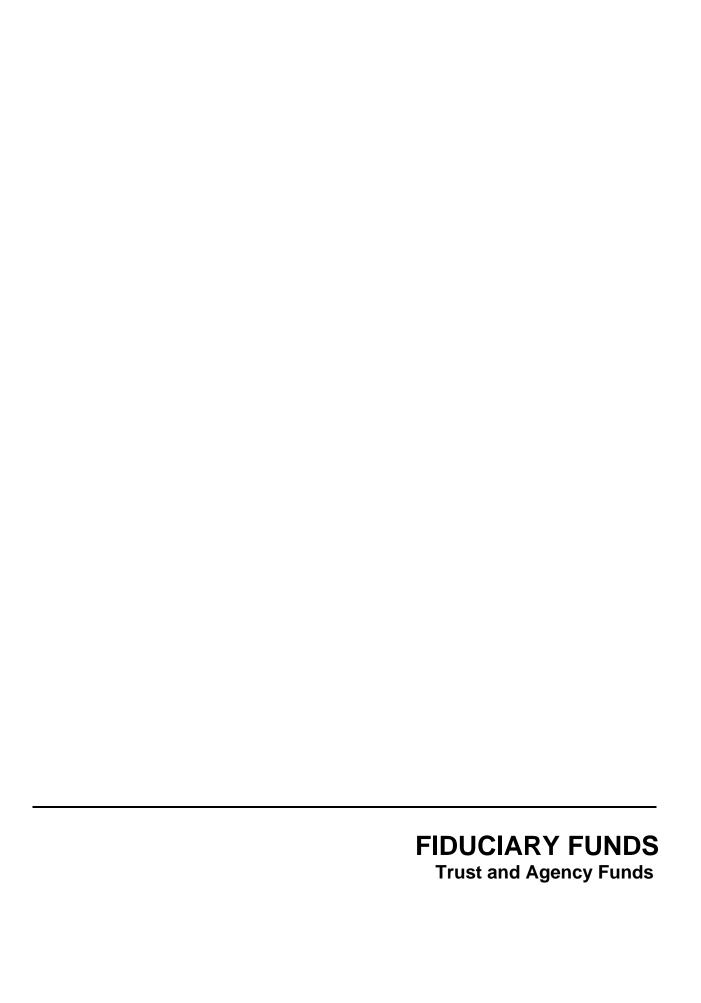
#### COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS FOR THE YEAR ENDED JUNE 30, 2010

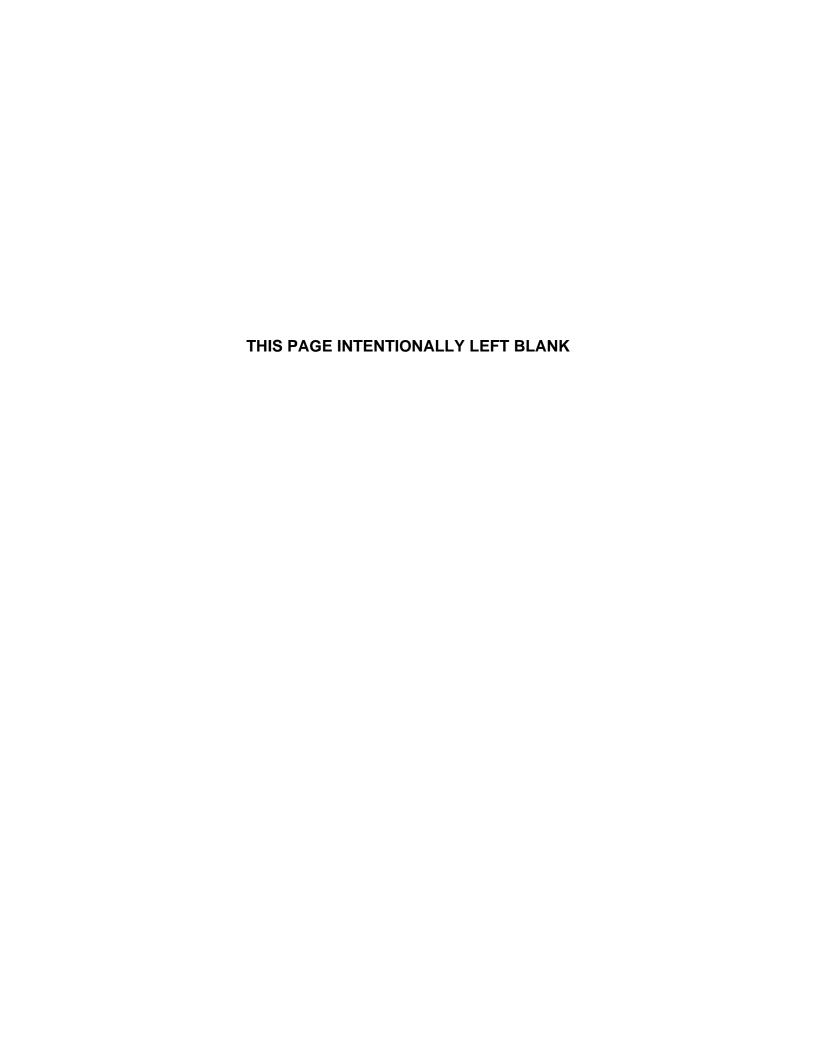
	;	Fuel Services	_	ommuni- cations
CASH FLOWS FROM OPERATING ACTIVITIES  Receipts from customers Payments to suppliers Payments to employees	\$	589,427 (593,397) (16,090)	\$	481,369 (134,452) (254,601)
Net Cash Provided (Used) by Operating Activities		(20,060)		92,316
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES  Transfers to other funds Interfund loans received Interfund loans made		- 23,678 -		- - 3,267
Net Cash Provided (Used) by Noncapital Financing Activities		23,678		3,267
CASH FLOWS FROM INVESTING ACTIVITIES Interest and dividends		(3,618)		4,241
Net Cash Provided (Used) by Investing Activities		(3,618)		4,241
Net Increase (Decrease) in Cash and Cash Equivalents		-		99,824
Balances - Beginning of year				76,000
Balances - End of year	\$		\$	175,824
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET  CASH PROVIDED (USED) BY OPERATING ACTIVITIES  Operating income (loss)  Adjustments to reconcile operating income to net cash provided by operating activities:	\$	33,021	\$	50,038
Depreciation Decrease (increase) in:     Accounts receivable     Inventory		1,424 (24,674) (10,841)		38,341 -
Increase (decrease) in:     Accounts payable     Accrued salaries and benefits     Compensated absences payable     Estimated claims liability     Net OPEB obligation		(20,563) 80 1,431 -		(5,426) 1,159 (3,088) - 11,292
Net Cash Provided (Used) by Operating Activities	\$	(20,060)	\$	92,316
(, -, -, -, -, -, -, -, -, -, -, -, -		( -,)	<u> </u>	- ,

Risk Management

		ı	Risk Management										
Liability		Unemployment		Vorkers' npensation		Vision Insurance		Self Fund Dental Insurance		Totals			
\$ 23,542 (3,288)	\$	(265,579) -	\$	126,883 (59)	\$	117,943 (91,747)	\$	736,003 (681,450)	\$	2,075,167 (1,769,972) (270,691)			
 20,254		(265,579)		126,824		26,196		54,553		34,504			
 120,000 (121,306)		- 117,714 -		- - -		- - -		- - -		120,000 20,086 3,267			
(1,306)		117,714				<u> </u>				143,353			
(18,948)		(316)		5,086		1,606		7,872		(4,077)			
 (18,948)		(316)		5,086		1,606		7,872		(4,077)			
-		(148,181)		131,910		27,802		62,425		173,780			
 		148,181		834,967		60,196		294,269		1,413,613			
\$ 	\$		\$	966,877	\$	87,998	\$ 356,694		\$	1,587,393			
\$ 22,409	\$	(329,733)	\$	126,883	\$	26,715	\$	53,867	\$	(16,800)			
1,133		-		-		-		-		2,557			
-		-		-		(519) -		686 -		13,834 (10,841)			
(3,288)		(144) - - 64,298		(59) - - -		- - - -		-		(29,480) 1,239 (1,657) 64,298 11,354			
\$ 20,254	\$	(265,579)	\$	126,824	\$	26,196	\$	54,553	\$	34,504			
							-						







### COMBINING STATEMENT OF FIDUCIARY NET ASSETS INVESTMENT TRUST FUNDS JUNE 30, 2010

	Special Districts Governed by Local Boards	School Funds	Debt Service Funds	College Funds	Trial Court and PSA II	Totals
ASSETS						
Cash and investments	\$ 2,961,299	\$ 28,051,083	\$ 2,090,559	\$ 1,445,862	\$ 37,744	\$ 34,586,547
Total Assets	\$ 2,961,299	\$ 28,051,083	\$ 2,090,559	\$ 1,445,862	\$ 37,744	\$ 34,586,547
NET ASSETS  Net assets held in trust for pool participants	\$ 2,961,299	\$ 28,051,083	\$ 2,090,559	\$ 1,445,862	\$ 37,744	\$ 34,586,547

### COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS INVESTMENT TRUST FUNDS FOR THE YEAR ENDED JUNE 30, 2010

	Special Districts Governed by School Local Boards Funds		Debt Service Funds	College Funds	Trial Court and PSA II	Totals
ADDITIONS Contributions:						
Contributions to investment pool	\$ 213,429	\$ 5,231,382	\$ 415,865	\$ 131,554	\$ 476	5,992,706
<b>Total Additions</b>	213,429	5,231,382	415,865	131,554	476	5,992,706
DEDUCTIONS Distributions from investment pool	332,018	5,160,660	12,741	1,626,625	6,021	7,138,065
Total Deductions	332,018	5,160,660	12,741	1,626,625	6,021	7,138,065
Change in Net Assets	(118,589)	70,722	403,124	(1,495,071)	(5,545)	(1,145,359)
Net Assets - Beginning	3,079,888	27,980,361	1,687,435	2,940,933	43,289	35,731,906
Net Assets - Ending	\$ 2,961,299	\$ 28,051,083	\$ 2,090,559	\$ 1,445,862	\$ 37,744	\$ 34,586,547

### COUNTY OF SISKIYOU, CALIFORNIA COMBINING STATEMENT OF ASSETS AND LIABILITIES AGENCY FUNDS JUNE 30, 2010

	Accrued Unapportioned Interest Trust Fund		Accrued Unapportioned Tax Trust Fund		rtioned County  Departmental		Totals
ASSETS Cash and investments Taxes receivable Due from other funds	\$	265,055 - -	\$	3,965,102 -	\$	1,947,665 - 3,426,038	\$ 2,212,720 3,965,102 3,426,038
Total Assets	\$	265,055	\$	3,965,102	\$	5,373,703	\$ 9,603,860
LIABILITIES  Due to other funds Agency obligations	\$	- 265,055	\$	3,426,038 539,064	\$	5,373,703	\$ 3,426,038 6,177,822
Total Liabilities	\$	265,055	\$	3,965,102	\$	5,373,703	\$ 9,603,860

#### COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES AGENCY FUNDS FOR THE YEAR ENDED JUNE 30, 2010

	Balance June 30, 2009	Additions & Adjustments	Deductions & Adjustments	Balance June 30, 2010
Accrued Unapportioned Interest Trust Fund				
ASSETS Cash and investments	\$ 418,897	\$ 3,376	\$ 157,218	\$ 265,055
Total Assets	\$ 418,897	\$ 3,376	\$ 157,218	\$ 265,055
LIABILITIES Agency obligations	\$ 418,897	\$ 3,376	\$ 157,218	\$ 265,055
Total Liabilities	\$ 418,897	\$ 3,376	\$ 157,218	\$ 265,055
Accrued Unapportioned Tax Trust Fund				
ASSETS Taxes receivable	\$ 3,228,385	\$ 736,717	\$ -	\$ 3,965,102
Total Assets	\$ 3,228,385	\$ 736,717	\$ -	\$ 3,965,102
LIABILITIES  Due to other funds Agency obligations	\$ 2,455,057 773,328	\$ 991,355 (254,638)	\$ 20,374 (20,374)	\$ 3,426,038 539,064
Total Liabilities	\$ 3,228,385	\$ 736,717	\$ -	\$ 3,965,102
County Departmental Agency Funds				
ASSETS Cash and investments Due from other funds	\$ 4,672,441 2,455,057	\$ 504,573 991,355	\$ 3,229,349 20,374	\$ 1,947,665 3,426,038
Total Assets	\$ 7,127,498	\$ 1,495,928	\$ 3,249,723	\$ 5,373,703
LIABILITIES Agency obligations	\$ 7,127,498	\$ 1,495,928	\$ 3,249,723	\$ 5,373,703
Total Liabilities	\$ 7,127,498	\$ 1,495,928	\$ 3,249,723	\$ 5,373,703
<u>Total</u>				
ASSETS  Cash and investments  Taxes receivable  Due from other funds	\$ 5,091,338 3,228,385 2,455,057	\$ 507,949 736,717 991,355	\$ 3,386,567 - 20,374	\$ 2,212,720 3,965,102 3,426,038
Total Assets	\$ 10,774,780	\$ 2,236,021	\$ 3,406,941	\$ 9,603,860
LIABILITIES  Due to other funds Agency obligations	\$ 2,455,057 8,319,723	\$ 991,355 1,244,666	\$ 20,374 3,386,567	\$ 3,426,038 6,177,822
Total Liabilities	\$ 10,774,780	\$ 2,236,021	\$ 3,406,941	\$ 9,603,860